



MEMORANDUM

DATE: January 11, 2007
TO: Interested Parties
FROM: Santa Cruz County Regional Transportation Commission
RE: REQUEST FOR PROPOSAL FOR TDA TRIENNIAL PERFORMANCE AUDIT

Attached is a request for proposals (RFP) for 2006 Transportation Development Act (TDA) Performance Audits for the Santa Cruz County Regional Transportation Commission (RTC), as required by state law.

The Regional Transportation Commission will be selecting a consultant to perform Performance Audits of the RTC as the Regional Transportation Planning Agency (RTPA) and the Santa Cruz Metropolitan Transit District (SCMTD). A brief description (Attachment A to RFP) is enclosed to provide you with background information on the Regional Transportation Commission and Transit District.

Proposals must be submitted to the RTC offices (1523 Pacific Avenue, Santa Cruz, CA 95060) *no later than 4:00 p.m., Thursday, February 1, 2007*

If you have any questions, please contact George Dondero or Daniel Nikuna at 831-460-3200.

We look forward to hearing from you.

Attachment: Request for Proposals

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REQUEST FOR PROPOSALS

2006 TRIENNIAL PERFORMANCE AUDITS FOR SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

Introduction

The Santa Cruz County Regional Transportation Commission (RTC) as the Regional Transportation Planning Agency for Santa Cruz County is soliciting proposals to conduct performance audits of the RTC and of the Santa Cruz Metropolitan Transit District for fiscal years 2003/04 through 2005/06. The audits must be conducted in compliance with relevant sections of the California Transportation Development Act. The RTC further expects that the performance audits will be conducted consistent with the "Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities" issued by the California Department of Transportation.

Proposal Due Date

Interested firms must submit four hard copies and one electronic copy (in PDF format) of their proposal to the RTC offices (1523 Pacific Avenue, Santa Cruz, CA 95060) ***no later than 4:00 p.m., Thursday, February 1, 2007.*** Postmarks will not be accepted.

Scope of Work

The contractor shall provide consulting services as necessary to complete the following work items:

1. Triennial Performance Audit of the Santa Cruz County Regional Transportation Commission (RTC).
2. Triennial Performance Audit of the Santa Cruz Metropolitan Transit District (SCMTD).

General information about RTC and SCMTD is included in Attachment A.

The audits must meet all requirements of California state law relating to performance audits of planning entities and operators, and the provisions of this request for proposals.

Specifically, the contractor shall perform performance audits which comply with all provisions of Sections 6662.5 and 6664.5 of the California Administrative Code. The performance audit shall evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited and shall be conducted in accordance with the Performance Audit Guidebook prepared by Caltrans.

The evaluation of the performance of the RTC as Regional Transportation Planning Agency shall include, but not be limited to:

- a. The manner and extent to which the RTC complies with legal and regulatory requirements, including its planning mission and its responsibility in administering transportation funding.
- b. The manner and extent to which the RTC operations and planning objectives have responded to prior performance audit recommendations.
- c. Review of RTC functions, including interviews with RTC management, staff and governing board, as well as with operators under the RTC jurisdiction. Supplemental interview with other regional agencies and State or federal agencies may be appropriate to gather more detailed information about any areas of concern.
- d. The manner and extent to which the RTC's financial records are managed.
- e. A preliminary audit report or management letter discussing the evaluation of performance and recommendations for improvements or additional functional audits.
- f. A final report.

The evaluation of the performance of SCMTD shall include, but not be limited to:

- a. The manner and extent to which the transit operator has complied with legal and regulatory requirements and with the *Regional Transportation Plan*.
- b. Progress toward the goals included in the *Regional Transportation Plan*.
- c. Evaluation of progress in responding to prior performance audit recommendations.
- d. Analysis of the transit performance indicators identified in the Performance Audit Guidebook and state law, which include operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee.
- e. Review of SCMTD functions, to identify any concerns over inefficient or ineffective performance. Supplemental interview with other regional agencies and State or federal agencies may be appropriate to gather more detailed information about any areas of concern.
- f. Preliminary management letters and a final report.

Presentation of the Final Report

The work of the contractor shall include a presentation of the final audits to the Regional Transportation Commission and to the Santa Cruz Metropolitan Transit District Board of Directors (currently scheduled for June 7 and June 8 respectively). In addition to the final presentation, the consultant shall meet with Regional Transportation Commission staff and Santa Cruz Metropolitan Transit District staff as necessary to complete the project.

Timeline and Budget

The services of the consultant shall begin immediately following the execution of a professional services agreement. It is anticipated that this contract will begin in February 2007. The services shall be completed in a professional manner within **three months** from the date of initiation of the agreement. The RTC has budgeted \$25,000 in FY06-07 for performance audits.

Contact Information

The Santa Cruz County Regional Transportation Commission is the lead agency and client for all aspects of this project. Questions and correspondence should be directed to:

George Dondero, Executive Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060
Telephone: (831) 460-3200

Specific questions regarding this RFP can also be directed to Daniel Nikuna, Fiscal Officer at (831) 460-3217; email: dnikuna@sccrtc.org or Rachel Moriconi, Senior Transportation Planner at 831-460-3203; email: rmoriconi@sccrtc.org.

Audit Oversight

The work of the contractor will be supervised by the Regional Transportation Commission in consultation with representatives of the Santa Cruz Metropolitan Transit District.

INSTRUCTION TO PROPOSERS

Consultant Selection Schedule

Issue Request for Proposals	January 11, 2007 (after board mtg)
Proposals Due	February 1, 2007 by 4:00 p.m.
Review of Proposals/Interviews if necessary	February 2, 2007 to February 8, 2007
RTC Board Approves Selected Firm	February 15, 2007
Notice to Proceed	February 16, 2007

Proposal Content and Organization

The intent of this RFP is to encourage responses which meet the stated requirements and which propose the best methods to accomplish the work within the stated budget.

1. **Transmittal letter:** Include summary of the proposal, applicant or firm name, and name, title, address, email, phone number, and original signature of an individual with authority to negotiate on behalf of and to contractually bind the proposer, and who may be contacted during the period of proposal evaluation.
2. **Audit Plan and Technical Approach:** Detailed description of your approach to the project, including proposed work program, schedule, and end products to be produced.
3. **Project Management:** Explanation of the project management system and practices to be used to assure that the project is completed within the scheduled time frame and budget, and to assure that the required products are of high quality.
4. **Consultant Team:** Names, qualifications, and expected time commitment of all professionals who will work on the project, including any subcontractors, and organization chart for this project.
5. **Consultant Qualifications and References:** Related projects, including project description and contact name, address, and phone number of clients.
6. **Conflict of Interest:** List any past, current or upcoming projects by your firm or professionals that may result in an actual or perceived conflict of interest with this performance audit report.
7. **Cost Proposal:** Prepare a detailed cost proposal for the work to be performed. The cost summary should include a breakdown of costs. Costs shall be segregated to show staff hours, rates, and classification, and administrative overhead for each task. Cost proposals shall be submitted in a separate sealed envelope.

Submittal of Proposals

1. Four hard copies and one electronic copy (in PDF format) of their proposal must be received in the Regional Transportation Commission office (1523 Pacific Avenue; Santa Cruz, CA 95060), no later than 4:00 pm on Thursday, February 1, 2007. If selected for further consideration, firms should be available for oral interviews February 5-8, 2007. However, at the discretion of the Regional Transportation Commission, the selection of a consulting firm may be made without oral interviews.
2. Costs to prepare the proposal shall be born by the proposer.
3. The RTC reserves the option to reject any or all proposals, wholly or in part.

4. This request does not constitute an offer of employment or contract.
5. Any contract entered into as a result of this request will contain a clause that the consultant will abide by the Fair Employment Practice Act.
6. The RTC reserves the right to award the contract to the firm that presents the proposal which, in the judgment of the RTC, best demonstrates the ability to conduct the audit, which shall include, but not be limited to, understanding of the purpose and requirement of the audit; approach to be followed and tasks to be performed; relative allocation of resources to key tasks; experience in public transit, performance auditing, and issues and functional area(s) to be analyzed; education and specific experience of the project team; and consideration of the cost proposal.

Proposal Evaluation and Selection Process

1. The RTC's Executive Director and staff will review the written proposals and, if necessary, invite two or more firms to an oral interview during the week of **February 5, 2007**. The RTC reserves the right to select a consultant based solely on the written proposals and not convene oral interviews.
2. Based upon the written proposal, the interview, reference checks and cost, the RTC Executive Director will recommend a preferred auditor to the RTC on **February 15, 2007**. After RTC approval, the Executive Director will contact the firm selected as the preferred firm and attempt to negotiate a contract. If in the RTC's Executive Director's opinion, negotiations are not progressing toward a successful conclusion, the RTC Executive Director may negotiate with one other qualified firm.
3. The RTC reserves the right to amend the scope of work prior to the contract being signed, and reserves the right to amend the above process if it does not result in a contract.

Method of Payment

Payments will be made on a progress basis by task structured to meet the cash flow requirements of the consultant. A retention of 10% of the full contract amount will be held until after the work has been satisfactorily completed and accepted by the RTC.

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ATTACHMENT A

Agency Descriptions

Santa Cruz County Regional Transportation Commission

The Santa Cruz County Regional Transportation Commission (SCCRTC) is designated as the Local Transportation Commission (LTC) and the Regional Transportation Planning Agency (RTPA) for Santa Cruz County. The agency was established in 1972 under the provisions of the California Transportation Development Act (TDA) of 1971. TDA established one-quarter of 1 cent of the state sales tax collected locally as a fund primarily for public transportation purposes. The SCCRTC was initially created to administer this fund, which currently generates approximately \$8 million per year.

The SCCRTC is comprised of 12 voting members. The membership composition is as follows:

- 5 County Board of Supervisors;
- 4 members representing the cities (one from each of the four Cities);
- 3 members appointed by the Santa Cruz Metropolitan Transit District Board of Directors;
- 1 ex-officio representative of Caltrans

Whereas the SCCRTC had previously contracted with the County of Santa Cruz for staffing and administrative support services, on November 4, 2006 the SCCRTC became an autonomous agency. The SCCRTC has 16.25 full-time equivalent positions budgeted.

Functions of the SCCRTC

The actions of the SCCRTC are governed by TDA regulations, the California Administrative Code, Memorandums of Understanding with the Association of Monterey Bay Area Governments (AMBAG) and Caltrans, and the Regional Transportation Commission's own Rules and Regulations.

The RTC is responsible for administering the Transportation Development Act, for establishing regional transportation policy, and for developing specific transportation improvement programs for the county.

In addition to developing and adopting the Regional Transportation Plan (RTP) and maintaining various transportation programs, the SCCRTC is responsible for biennially developing the Regional Transportation Improvement Program (RTIP). The RTIP is a summary of proposed countywide short-range capital improvement projects and programs. The RTIP must conform to the Regional Transportation Plan and is incorporated into the Federal Transportation Improvement Program (FTIP), which is prepared by AMBAG.

In 2001 Section 67941 was added to the Government Code that gave the Commission the power of eminent domain and the power to preserve, acquire, construct, improve, and oversee

multimodal transportation projects and services on rail rights-of-the ways within Santa Cruz County.

The SCCRTC also serves as the rideshare agency for Santa Cruz County and the Service Authority for Freeway Emergencies (SAFE). In this capacity, the SCCRTC owns and administers the motorist aid call box system on state highways in Santa Cruz County.

More information on the SCCRTC is available online at www.sccrtc.org.

Santa Cruz Metropolitan Transit District

The Santa Cruz Metropolitan Transit District (SCMTD) is the public transit operator for Santa Cruz County. Also known as Santa Cruz Metro, SCMTD operates 40 fixed bus routes and Americans with Disabilities Act (ADA)-mandated paratransit service. The system carries 5 million passengers annually (approximately 18,000 per weekday) on over 3 million revenue miles. SCMTD's has over 325 employees and an annual operating budget of approximately \$35 million. Fares on fixed-route buses are \$1.50, with seniors and disabled riders paying \$0.75.

More information on SCMTD is available online at: www.scmtd.com.

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