

CENTRAL CONTRA COSTA TRANSIT AUTHORITY (CCCTA)
DBA
County Connection

REQUEST FOR PROPOSAL
FOR
FINANCIAL AUDITING SERVICES

#2023-MA-02

Central Contra Costa Transit Authority
dba County Connection
2477 Arnold Industrial Way
Concord, CA 94520

February 20, 2023

Key Proposal Dates

| | |
|---|-------------------------------|
| Release RFP: | February 20, 2023 |
| Deadline for Q's: | March 3, 2023 by 4 pm |
| Responses and/or addenda issued: | March 7, 2023 |
| Proposals Due: | March 17, 2023 by 4pm |
| Interviews: | Week of March 27, 2023 |
| Board Meeting: | April 20, 2023 |
| Notice to Proceed: | April 24, 2023 |

Contact Information:
Amber Johnson, Chief Financial Officer
(925) 680-2051
AJohnson@CCCTA.org

February 20, 2023

INTRODUCTION

The Central Contra Costa Transit Authority (County Connection, CCCTA, or Authority) is seeking a qualified firm, team, or individual (Contractor) to complete the Authority's Independent Audit requirements for fiscal years ending June 30 of 2023, June 30 of 2024, and June 30, 2025 with an option for two (2) one (1) year extensions, provided that changes in the terms and conditions of each one (1) year extension are mutually agreed upon by both parties. These audits are to be performed in accordance with U.S. generally accepted auditing standards and the U.S. Office of Management and Budget (OMB) Circular A-133 Audits of State and Local Governments and Non-Profit Organizations and will include a federal single audit.

BACKGROUND

County Connection was established on March 27, 1980, under the joint exercise of power agreement to provide, either directly or through contract, public transportation services within certain areas of the County of Contra Costa. A Board of Directors composed of representatives of the member jurisdictions governs County Connection. Member jurisdictions include the following cities: City of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, Walnut Creek, Town of Moraga, and Town of Danville, within the County of Contra Costa. Each member jurisdiction appoints one regular representative of the Board of Directors and one alternative to act in the regular representative's absence.

The Board of Directors has organized itself into three standing committees: Administration and Finance; Marketing, Planning and Legislation; and Operations and Scheduling. County Connection is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. CCCTA is not subject to income tax.

County Connection currently operates an active fixed route bus fleet of 112, has approximately 225 employees, and participates in the CalPERS retirement system. An independent contractor operates the Paratransit service. County Connection receives funds primarily from transit fares, federal, state, and local grants. The current operating budget is \$47 million; the capital budget is \$28 million. The disbursement of funds received by County Connection is set by the Board policy, subject to applicable statutory requirements.

The Authority's Finance Department includes a Chief Financial Officer, Manager of Accounting, Senior Accounting Assistant, Payroll Supervisor and Payroll Specialist. The Authority uses the POWERUP (accounting) Software System and is actively procuring a software package to replace this system. Historical audited financial statements and budget documents can be found on the County Connection website: <https://countyconnection.com/reports-and-publications/>

1.0 NOTICE OF REQUEST FOR PROPOSALS

FINANCIAL AUDITING SERVICES #2023-MA-02

1.1 TENTATIVE SCHEDULE

The tentative schedule of significant events relating to this project is provided below. County Connection reserves the right to modify this schedule and any specific time-of-day deadlines as discussed in the following section.

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|---------------------------------|------------------------|
| Release RFP | February 20, 2023 |
| Deadline for Q's | March 3, 2023 by 4pm |
| Responses and/or addenda issued | March 7, 2023 |
| Proposals due | March 17, 2023 by 4pm |
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| Board Meeting | April 20, 2023 |
| Notice to proceed | April 24, 2023 |

1.2 PROPOSAL DUE DATE

One original and three (3) copies of the proposal in a sealed envelope clearly marked "Audit Proposal-County Connection" shall be delivered to:

Amber Johnson
Chief Financial Officer
County Connection
2477 Arnold Industrial Way
Concord, CA 94520-5327

Proposals should include the title "Request for Proposal 2023-MA-02." Proposals must be received no later than 4pm on March 17, 2023. Proposals received after this time (regardless of postmark) or at any place other than stated will not be accepted, unless the delay was caused by County Connection. Proposals shall be prepared, presented, and negotiated at the sole cost of the proposer.

An evaluation committee will review and evaluate all proposals received and several finalists may be selected. These finalists may be invited to an oral interview. However, County Connection reserves the right to award the contract without conducting interviews. It is anticipated that the evaluation committee will then recommend and the highest ranked audit firm for contract award to the Board of Directors.

1.3 INTERPRETATION OF SPECIFICATION; ADDENDA

Questions or requests for interpretation of this "Request for Proposals" may be submitted in writing by no later than 4pm, March 3, 2023, to Amber Johnson, Chief Financial Officer, County Connection at 2477 Arnold Industrial Way, Concord, CA 94520 or AJohnson@CCCTA.org. Any modifications, interpretations, or clarifications of this RFP will be made in writing by addendum

and distributed to those receiving this RFP. Additionally, all addenda to this RFP will be available on the County Connection website at www.CCCTA.org/about/business-advertising/procurements/. Oral interpretations are not binding on County Connection. All addenda shall be considered part of the RFP. Upon issuance, such addenda shall be incorporated into the agreement documents, and shall prevail over inconsistent provisions of earlier issued documentation. All addenda shall be acknowledged on the proposal. Failure to acknowledge any addenda may cause the proposal to be considered non-responsive and rejected.

1.4 DESCRIPTION OF ACCOUNTING SYSTEM TO BE AUDITED

County Connection uses the accrual method of accounting and presents its statements on an enterprise basis. Although CCCTA has two divisions, Fixed route and Paratransit, the fiscal year-end single audit report is based on County Connection's consolidated financial statements. Division statements are available.

County Connection is currently using the POWERUP Software System consisting of General Ledger, Accounts Payable, and some aspects of the payroll and human resource's function. Other aspects of payroll, such as payroll checks, payroll reports, and W2s are outsourced to ADP and managed by in-house payroll staff.

1.5 SCOPE OF SERVICES

To meet the requirements of this request for proposals, the audits shall be performed using the most current version of each of the following:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants;
- The standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States;
- The provisions of the Single Audit Act as amended;
- The provisions of U. S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations;
- State of California Transportation Development Act (TDA);
- Special District and Transit District Reporting Requirements, as specified by the California State Controller.

The specific services to be provided consist of the following:

- a) Perform an audit of all revenues and expenditures of County Connection in accordance generally accepted auditing standards. The auditor will be required to assist with the implementation of Governmental Accounting Standards Board (GASB) statements as applicable, and with preparation of GASB 68 and 75 journal entries. The audit firm will render their auditors' report on the basic financial statements and will assist with the preparation of the Management's Discussion and Analysis.

- b) If required, Auditor will apply the agreed-upon procedures prescribed by the Federal Transit Administration (FTA), to the data contained in the Federal Funding Allocation Statistics Form (FFA-10). The auditor will evaluate whether the Authority complied with the procedures specified by the FTA and that the information included in the National Transit Database (NTD) report Federal Funding Allocation Statistics Form (FFA-10) is presented in conformity with the requirements of the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, December 2007 and as presented in the 2022 Reporting Manual (as revised).
- c) Perform a Single Audit on the expenditures of federal grants in accordance with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance (formerly OMB Circular A-133) and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of County Connection's financial statements in accordance with Government Auditing Standards and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with 2 CFR 200. The single audit report will include the appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior audit findings where required.
- d) Perform an annual audit and express an opinion on County Connection's compliance with the applicable provisions of the State Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission (MTC) as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations (21 CCR 6667). This audit is to be made in accordance with the accounting requirements of the Controller of the State of California as set forth in the applicable Uniform System of Accounts for Public Transit Operators.
- e) Perform an annual audit and express an opinion on compliance with rules and regulations of the State of California's Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) Program.
- f) Preparation of a management letter report that shall include a summary of audit findings and recommendations on County Connection's internal accounting controls and other material matters affecting its financial condition.
- g) Preparation of an Agreed Upon Procedures Engagement for compliance with contract agreements of County Connection, if required, based upon:

(1) County Connection employees may receive a fixed percentage across-the-board wage increase each fiscal year unless one of the following conditions occurs:

- County Connection's State Transit Assistance (STA) and Transportation Development Act (TDA) funds (combined) allocation from MTC is reduced for the fiscal year just ended, when compared to the STA or TDA funds received by County Connection for the prior fiscal year.
- The average price per gallon of diesel fuel purchased by County Connection during the fiscal year just ended increased by forty percent (40%) compared to the average price per gallon of diesel fuel purchased by County Connection in the prior fiscal year.
- The dollar amount County Connection paid to the California Public Employees' Retirement System (PERS) for non-healthcare retirement benefits in the fiscal year just ended increased by one million dollars (\$1,000,000) when compared to the dollar amount County Connection paid to PERS in the prior fiscal year for non-healthcare retirement benefits.

h) Attend meetings with staff, Board committees and the Board of Directors as required.

2.0 COMMUNICATION AND CONTACT DURING RFP PROCESS

Once this RFP is issued to the public, all communication between all prospective proposers and CCCTA must take place between representatives of a proposer and the staff of CCCTA as indicated within this RFP. Under no circumstances is it allowable for any member of a prospective proposer or their representative to contact a member of the CCCTA Board of Directors. This shall be in effect until the successful proposer and CCCTA execute and awarded contract.

Any violation of this requirement of the RFP will automatically disqualify a proposer.

2.1 AUDIT FIRM'S QUALIFICATIONS

The auditors shall be a firm licensed to practice as Certified Public Accountants in the State of California in accordance with generally accepted auditing standards prescribed by the American Institute of Certified Public Accountants. In addition, the firm must demonstrate to County Connection's satisfaction that it has the skills, experience and quality of work and professionalism to perform the services and must maintain professional liability insurance with minimum liability limits of \$1,000,000.

The auditors must have general experience in auditing governmental accounting with specific knowledge of transit accounting. A representative listing of client engagements should be provided as part of the proposal. None of the principals of the firm of auditors selected nor members of their immediate families shall be in the employ of County Connection.

The auditors shall be thoroughly familiar with the Federal and State rules, regulations, and guidelines governing the audits of public agencies in general and transit properties specifically. These rules and regulations include but are not limited to the following:

- The uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly referred to as the “Super Circular”) (2 CFR Part 200).
- The *Generally Accepted Government Auditing Standards* for audit of governmental organizations, programs, activities, and functions, also known as “*The Yellow Book*” and International Professional Practices Framework’s guidelines for financial compliance audits of federally assisted programs, also known as “*The Red Book*”.
- The single Audit Act of 1984, as amended, OMB Circular A-133, and OMB Compliance Supplements for single audits of State and Local Governments.
- American Institute of Certified Public Accountants Audits of State and Local Governments Units.
- The State of California Uniform System of Accounts for Public Transit Operator, and the Federal Transit Act of 1964, as amended.

Adequate numbers of qualified professional employees of the accounting firm who are auditors by profession must be made available for use on the County Connection’s engagement to assure its timely completion.

2.3 AUDIT SCHEDULE AND ASSISTANCE

Pre-close or interim work is permitted and may be scheduled at the mutual convenience of the auditors and County Connection. CCCTA's fiscal year closes June 30th and preliminary statements are available by the end of August.

County Connection's Manager of Accounting and CFO will be available to the auditors to assist as needed.

Due to the on-going workload of CCCTA’s staff, County Connection requires that a timeline be submitted to the Finance Department after the interim audit. This timeline should list schedules of reports to be completed by County Connection’s accounting staff, requested date of completion as well as dates of audit fieldwork and completion of the draft report. A draft copy of each audit report shall be reviewed with the Manager of Accounting and CFO at least two weeks prior to its due date.

Any penalties assessed against County Connection as result of the untimely receipt of the above-listed opinions and reports will be deducted from the audit fee.

Brown, Armstrong, 4200 Truxtun Ave, Suite 300, Bakersfield, California performed a financial audit as of June 30, 2022. Previous years' working papers will be available for inspection by the successful auditing firm only.

3.0 PROPOSAL CONTENT

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified below:

- a. **Title page:** Request for Proposal title, "Request for Proposal 2023-MA-02", name of firm, local address, local contact name and local telephone number.
- b. **Letter of Introduction:** Introduce the firm and state whether the terms contained in the Agreement are accepted as proposed or with exceptions. Any exceptions should be clearly noted on a separate sheet and submitted with the proposal.

The letter shall be signed and dated by an authorized person of the firm submitting the proposal.

The letter shall also confirm that the Cost Proposal, included as part of this RFP, is a firm offer to CCCTA for 90 days from the submission deadline for the proposals.

The letter shall include a listing indicating the Addendum, by number of issue, which the Proposer has received.

Proposer must also disclose any Levine Act contribution(s). Refer to Section 3.5.

- c. **Profile of Firm:** For both the firm as a whole and the local office that will perform the work, please give number of years in business; size of firm; type of organization (individual, partnership, or corporation); number of partners, managers, supervisors, seniors, and other professional staff; equal employment opportunity policies and achievements; statement of the types of services the firm provides.
- d. **Experience of firm:** For both the firm as a whole and the local office that will perform the work, please list experience in auditing governmental agencies and transit properties. Please list by name, address, and telephone number, three recent similar clients who may be contacted regarding your firm. Please provide a brief description of the work provided, and a contact person within the firm. Please include any subcontractor qualifications in this section.
- e. **Professional qualifications:** Please list the individual principals and senior staff members that you propose to assign to this job. Provide the educational and

professional background of each individual and the role they will play in the audit team. Please include the names of any subcontractor employees in this list.

- f. **Detailed Audit Work Plan:** Provide a detailed audit work plan describing how you intend to carry out the work to be performed, including selection of appropriate procedures to test the financial condition of County Connection and to express an opinion regarding compliance with mandated reporting requirements. The work plan should demonstrate your understanding of the Single Audit requirements, and the audit tests and procedures to be applied in completing the audit plan. Please include a tentative schedule showing when the work will be scheduled and how required report deadlines will be met. Where possible, please list who will be doing the work and what assistance from the in-house staff is expected.
- g. **Fees for service:** Please list for the initial three-year term and each of the two (2) one-year option terms the following information, by year: estimated work hours for each management and staff classification; hourly rates charged for each management and staff classification; and the all-inclusive not to exceed fee for each year of the five (5) years.

3.1 WITHDRAWAL OF PROPOSAL

Submission of a proposal shall constitute a firm offer to County Connection for ninety (90) days from the deadline date of receipt for proposals.

A proposer may withdraw its proposal any time before the date and time when the proposal is due, without prejudice, by submitting a written request for its withdrawal to Amber Johnson, Chief Financial Officer, County Connection, at 2477 Arnold Industrial Way, Concord, CA 94520. A telephone request is not acceptable.

3.2 PROTEST PROCEDURES

Protests regarding this Request for Proposals based upon restrictive specifications or alleged improprieties in the RFP procedure shall be filed in writing with Amber Johnson, Chief Financial Officer, at least five (5) business days prior to the deadline for submission of proposals. The protest must clearly specify in writing the grounds and evidence on which the protest is based. Upon conclusion of the evaluation of proposals, County Connection will send a notice to all proposers of the staff's recommendation for contract award. Protests based upon the recommendation for award of the Contract shall be submitted in writing to Amber Johnson, Chief Financial Officer, within forty-eight (48) hours from receipt of the notice from County Connection advising of staff's recommendation for award of contract. The protest must clearly specify in writing the grounds and evidence on which the protest is based.

Failure to comply with any of the requirements set forth in the CCCTA's written Proposal protest procedures may result in rejection of the protest.

3.3 SELECTION CRITERIA

CCCTA intends to award a Contract to the highest ranked firm submitting a responsive Proposal. CCCTA will consider the Proposal material submitted, references, oral interviews (if applicable), and any other relevant information about a given Proposer. CCCTA will review all the Audit proposals based on the following factors:

| | |
|--|-----|
| Experience of firm in performing audits of agencies similar to County Connection | 25% |
| Qualifications and experience of personnel to be assigned to County Connection's audit | 25% |
| Fee for services | 25% |
| Comprehensive and quality of audit work plan and responsiveness to time frame | 25% |

The proposer shall furnish CCCTA such additional information as CCCTA may reasonably require.

Following the initial review and screening of the written proposals, one or more firms *may* be invited to participate in the final selection process, which may include:

- a) Participation in an oral interview or negotiations.
- b) Requests for submissions of any additional information or Best and Final Offers ("BAFO").

Upon completion of review of the written submittals and interviews, if held, CCCTA will rank each firm in accordance with the criteria above. CCCTA may accept the Proposal or negotiate the terms and conditions of the Contract with the highest-ranked firm. If negotiations are unsuccessful, CCCTA will terminate the negotiations with that firm and may open negotiations with the next-highest-ranked firm. If negotiations with this firm are also not successful, CCCTA may repeat the negotiations process with the next-highest-ranked firm or, at its sole discretion, CCCTA may reject all remaining Proposals.

The CCCTA reserves the right to conduct pre-award negotiations with all potential proposers, request best and final offers, or to award the contract without conducting any interviews, negotiations, or requesting BAFOs.

This RFP does not commit CCCTA to awarding a Contract. Proposers shall bear all costs incurred in the preparation of the Proposal and participating in the Proposal process. CCCTA reserves the right to reject all proposals, the right in its sole discretion to accept the proposal it considers most favorable to CCCTA's interest, and the right to waive minor irregularities in the procedures. County Connection further reserves the right to reject all proposals and seek new proposals when such procedure is reasonable in the best interest of CCCTA.

3.4 CONFIDENTIALITY OF PROPOSALS

The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the content of any request for explanation, exception or substitution, response to these specifications, protest, or any other written communication between the CCCTA and the proposer shall be available to the public.

If the proposer believes any communication contains trade secrets or other proprietary information that the proposer believes would cause substantial injury to the proposer's competitive position if disclosed, the proposer shall request that County Connection withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. The proposer may not designate its entire proposal as confidential. Additionally, the proposer may not designate its cost proposal or any required proposal forms or certifications as confidential.

If the proposer requests that County Connection withhold from disclosure information identified as confidential, and CCCTA complies with the proposer's request, the proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless CCCTA from and against all damages (including but not limited to attorneys' fees that may be awarded to the party requesting the proposer information), and pay any and all costs and expenses related to the withholding of the information. The proposer shall not make a claim, sue, or maintain any legal action against County Connection or its directors, officers, employees, or agents in connection with the withholding from disclosure of proposer information.

If the proposer does not request that County Connection withhold from disclosure information identified as confidential, CCCTA shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to County Connection.

3.5 LEVINE ACT

The Levine Act (Government Code 84308) is part of the Fair Political Practices Act. The Levine Act prohibits any CCCTA Board Member from participating in or influencing the decision on awarding a contract with CCCTA to anyone who has contributed \$250.00 or more to the Board Member within the previous twelve months. The Levine Act also requires a member of the CCCTA Board who has received such a contribution to disclose the contribution on the record of the proceeding. In addition, CCCTA Board Members are prohibited from soliciting or accepting a contribution from a party applying for a contract while the matter of awarding the contract is pending before the CCCTA or for twelve months following the date a final decision concerning the contract has been made.

Proposers must disclose on the record any contribution for \$250.00 or more that they have made to a CCCTA Board Member within the twelve-month period preceding submission of your Proposal. This duty applies to your company, any member of your team, any agents for you or other team members and to the major shareholders of any closed corporation that is part of your

team. If you have contributed that needs to be disclosed, you must include this information with your proposal.

3.6 CONFLICT OF INTEREST

By submitting a Proposal, the Proposer represents and warrants that no director, officer, or employee of CCCTA is in any manner interested directly or indirectly in the Proposal or in the Contract which may be made under it or in any expected profits to arise there from, as set forth in Article 4, Division 4, Title I (commencing with Sec. 1090) of the Government Code of the State of California.

The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code Sections 1090 *et seq.* or Sections 87100 *et seq.* during the performance of services under this Agreement. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

Depending on the nature of the work performed, the Proposer may be required to publicly disclose financial interests under CCCTA's Conflict of Interest Code. The Proposer agrees to promptly submit a Statement of Economic Interest on the form provided by CCCTA upon receipt. No person previously in the position of director, officer, employee or agent of CCCTA may act as an agent or attorney for, or otherwise represent, the Proposer by making any formal or informal appearance, or any oral or written communication, before CCCTA, or any officer or employee of CCCTA, for a period of twelve (12) months after leaving office or employment with CCCTA if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, awards or revocation of a permit, license, grant or Contract.

3.7 FORM OF PROFESSIONAL SERVICES AGREEMENT

The firm selected by County Connection to perform the auditing services outlined in this RFP will be required to execute an Agreement for Professional Services with County Connection, an example of which is attached at the end of this RFP so that potential proposers have an opportunity to review the terms and conditions that will be included in the Agreement.

If a proposer desires any modifications to the form of Agreement, they must be submitted for consideration with the proposal. Otherwise, the proposer will be deemed to have accepted the form of Agreement.

Proposers' attention is directed to the insurance requirements set forth in the Agreement for Professional Services. Evidence of compliance with the specified coverages must be submitted prior to commencement of work.

PROPOSED CCCTA AGREEMENT- SAMPLE AGREEMENT

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made as of the _____ day of _____, 2023, by and between CENTRAL CONTRA COSTA TRANSIT AUTHORITY (“AUTHORITY”) and _____ (“CONTRACTOR”).

WHEREAS, the Board of Directors desires to obtain professional services in connection with financial auditing services and has issued a Request for Proposals dated February 20, 2023, which is attached and incorporated as Exhibit A; and

WHEREAS, the CONTRACTOR desires to furnish such services and submitted a written proposal dated _____, 2023, which is attached and incorporated as Exhibit B.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. RENDITION OF SERVICES

The CONTRACTOR agrees to provide professional services to the AUTHORITY in accordance with the terms and conditions of this Agreement. In the performance of its work, CONSULTANT represents and warrants that it has and will exercise that degree of professional care, skill, efficiency, and judgment ordinarily employed by professional auditors for public agencies and certifies that it has and will maintain in effect and in good standing throughout the duration of its engagement with the AUTHORITY all applicable licenses and certifications for performing independent audits for public agencies in California.

2. SCOPE OF SERVICES

The services to be provided consist, in general, of examining the financial statements, transactions, contracts, and records of the AUTHORITY and preparing an annual audit report in accordance with applicable State and Federal laws and regulations, which include, but are not limited to the requirements under Section 15 of the Federal Transit Act of 1964, as amended. In addition, the services shall include an audit that complies with all pertinent laws, regulations, contracts, etc. required of Central Contra Costa Transit Authority by both the law and its funding sources.

The specific services to be provided consist of the following:

- h) Perform an audit of all revenues and expenditures of County Connection in accordance generally accepted auditing standards. The auditor will be required to assist with the implementation of Governmental Accounting Standards Board (GASB) statements as applicable, and with preparation of GASB 68 and 75 journal entries. The

audit firm will render their auditors' report on the basic financial statements and will assist with the preparation of the Management's Discussion and Analysis.

- i) If required, Auditor will apply the agreed-upon procedures prescribed by the FTA, to the data contained in the Federal Funding Allocation Statistics Form (FFA-10). The auditor will evaluate whether the Authority complied with the procedures specified by the FTA and that the information included in the National Transit Database (NTD) report Federal Funding Allocation Statistics Form (FFA-10) is presented in conformity with the requirements of the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, December 2007 and as presented in the 2022 Reporting Manual (as revised).
- j) Perform a Single Audit on the expenditures of federal grants in accordance with 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance (formerly OMB Circular A-133) and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of County Connection's financial statements in accordance with Government Auditing Standards and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with 2 CFR 200. The single audit report will include the appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior audit findings where required.
- k) Perform an annual audit and express an opinion on County Connection's compliance with the applicable provisions of the State Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission (MTC) as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations (21 CCR 6667). This audit is to be made in accordance with the accounting requirements of the Controller of the State of California as set forth in the applicable Uniform System of Accounts for Public Transit Operators.
- l) Perform an annual audit and express an opinion on compliance with rules and regulations of the State of California's Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) Program.
- m) Preparation of a management letter report that shall include a summary of audit findings and recommendations on County Connection's internal accounting controls and other material matters affecting its financial condition.
- n) Preparation of an Agreed Upon Procedures Engagement for compliance with contract agreements of County Connection, if required, based upon:

(2) County Connection employees may receive a fixed percentage across-the-board wage increase each fiscal year unless one of the following conditions occurs:

- County Connection's State Transit Assistance (STA) or Transportation Development Act (TDA) funds allocation from MTC is reduced for the fiscal year just ended, when compared to the STA or TDA funds received by County Connection for the prior fiscal year.
- The cost of diesel fuel purchased by County Connection increased in the fiscal year just ended by more than five hundred thousand dollars (\$500,000) when compared to the cost of diesel fuel purchased by County Connection in the prior fiscal year*.
- The dollar amount County Connection paid to the California Public Employees' Retirement System (PERS) for non-healthcare retirement benefits in the fiscal year just ended increased by one million dollars (\$1,000,000) when compared to the dollar amount County Connection paid to PERS in the prior fiscal year for non-healthcare retirement benefits.

* For purposes of these procedures, the "cost of diesel fuel" purchased by County Connection in a fiscal year will be deemed to have increased by Five Hundred Thousand Dollars (\$500,000) if the average cost of diesel fuel purchased over the twelve-month period from July through June increases by seventy-five cents per gallon when compared to the average cost per gallon of diesel fuel purchased over the twelve month period from July through June of the prior fiscal year.

h) Attend meetings with staff, Board committees and the Board of Directors as required.

3. TERM

The term of this Agreement shall commence upon the effective date of the issuance of a Notice to Proceed and shall continue for a three-(3) year base period, unless terminated sooner pursuant to Section 17. The AUTHORITY may exercise its option to extend this Agreement for two (2) additional one-year (1) periods by giving CONTRACTOR sixty (60) days' written notice prior to the termination of the applicable term. Upon such notice, the Agreement shall continue under the same terms and conditions.

4. OWNERSHIP OF WORK

All reports, designs, drawings, plans, specifications, schedules, and other materials prepared, or in the process of being prepared, for the services to be performed by CONTRACTOR shall be and are the property of the AUTHORITY. The AUTHORITY shall be entitled to access to and copies of these materials during the progress of the work. Any such materials remaining in the hands of the CONTRACTOR or in the hands of any subcontractor upon completion or termination of the work shall be immediately delivered to the AUTHORITY. If any materials are lost, damaged, or destroyed before final delivery

to the AUTHORITY, the CONTRACTOR shall replace them at its own expense and the CONTRACTOR assumes all risks of loss, damage, or destruction of or to such materials. The CONTRACTOR may retain a copy of all material produced under this Agreement for its use in its general business activities.

5. CONFIDENTIALITY

Any AUTHORITY materials to which the CONTRACTOR has access or materials prepared by the CONTRACTOR during this Agreement ("confidential information") shall be held in confidence by the CONTRACTOR, who shall exercise all reasonable precautions to prevent disclosure of confidential information to anyone except the officers, employees, and agents of the CONTRACTOR as necessary to accomplish the rendition of services.

CONTRACTOR shall not release any reports, information or promotional materials prepared in connection with this Agreement, whether deemed confidential or not, without the approval of the AUTHORITY Chief Financial Officer.

6. KEY PERSONNEL

It is always understood and agreed by the parties that during the term of this Agreement that _____ shall serve as the primary staff person of the CONTRACTOR to undertake, render, and oversee of the services under this Agreement.

7. USE OF SUBCONTRACTORS

CONTRACTOR shall not subcontract any services to be performed by it under this Agreement without the prior written approval of the AUTHORITY, except for service firms engaged in drawing, reproduction, typing and printing. CONTRACTOR shall be solely responsible for reimbursing any subcontractors and the AUTHORITY shall have no obligation to them.

8. CHANGES

The AUTHORITY may, at any time, by written order, make changes within the scope of work and services, including adding to or subtracting from the level of services, described in this Agreement. If such changes cause an increase in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 11 or in the time of required performance as set forth in the contract documents, or both. If CONTRACTOR encounters any unanticipated conditions or contingencies that may affect the scope of work or services and result in an adjustment in the amount of compensation specified herein, CONTRACTOR shall so advise the AUTHORITY immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. This notice shall be given the AUTHORITY prior to the time that

CONTRACTOR performs work or services related to the proposed adjustment in compensation. Any agreed-upon adjustments shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

9. RESPONSIBILITY; INDEMNIFICATION

CONTRACTOR shall indemnify, keep, and save harmless the AUTHORITY, and its directors, officers, agents, and employees against all suits, claims or actions arising out of any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by the CONTRACTOR caused by an act or omission of the CONTRACTOR or its employees, subcontractors, or agents. CONTRACTOR further agrees to defend all such actions, suits, or claims and pay all charges of attorneys and all other incurred costs and expenses. If any judgment is rendered against the AUTHORITY or any of the other individuals enumerated above in any such action, CONTRACTOR shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination of the Agreement.

10. INSURANCE

- a) **Worker's Compensation** If CONTRACTOR employs any person to perform work in connection with this Agreement, CONTRACTOR shall procure and always maintain during the performance of such work Workers' Compensation Insurance in conformance with the laws of the State of California and Federal laws where applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease. Prior to commencement of work under this Agreement by any such employee, CONTRACTOR shall deliver to AUTHORITY a Certificate of Insurance that shall stipulate that thirty (30) days' advance written notice of cancellation, non-renewal or reduction in limits shall be given to AUTHORITY.
- b) **General Liability Insurance** covering any loss or liability, including the cost of defense of any action, for Bodily Injury, Death, Personal Injury and Property Damage which may arise out of operations of the CONTRACTOR in connection with the performance of this contract. The policy will include coverage for bodily injury and property damage liability subject to the standard provisions and exclusions of the Commercial General Liability Policy Form and endorsed for premises, operations, products and completed operations. The policy or policies shall provide a minimum limit of one million dollars (\$1,000,000) each occurrence.
- c) **Automobile Liability Insurance** covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance, or use of any vehicle, whether owned by CONTRACTOR, on or off AUTHORITY premises. The policy or policies shall provide a minimum limit of One Million Dollars

(\$1,000,000) each accident. Additionally, all revenue vehicles will be insured against comprehensive and collision damage satisfactory to CCCTA.

- d) **Professional Liability Insurance** CONTRACTOR shall also maintain Professional Liability Insurance, covering CONTRACTOR's performance under this Agreement with a limit of liability of One Million Dollars (\$1,000,000) for any one claim. Such insurance shall be applicable to claims made during the term of this Agreement. Prior to commencing work under this Agreement, CONTRACTOR shall furnish AUTHORITY a Certificate of Insurance or certified copy of the Insurance policy if requested, indicating compliance with requirements of this paragraph.

With respect to the coverages under subsections A, B, and C of this section, the policies will name as additional insured with respect to CONTRACTOR's services under this Agreement, the AUTHORITY and its directors, officers, employees, and agents. The Insurer(s) will agree that its policies are Primary Insurance and that it will be liable for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance covering the AUTHORITY.

Inclusion of AUTHORITY as an additional insured shall not in any way affect its rights as respect to any claim, demand, suit, or judgment made, brought, or recovered against CONTRACTOR. The policies will protect CONTRACTOR and AUTHORITY in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured.

Prior to commencement of work under this Agreement, CONTRACTOR shall deliver to AUTHORITY a Certificate of Insurance, which will indicate compliance with the insurance requirements of this paragraph and shall stipulate that 30 days advance written notice of cancellation, non-renewal or reduction in limits shall be given to AUTHORITY.

- e) **Self-Insurance** and self-insured retentions in insurance policies are subject to separate approval by CCCTA upon review or evidence of CONTRACTOR'S financial capacity. Such programs must provide at least the same coverage and protection required above.

CCCTA shall be named as a joint loss payee on the policy. Prior to the commencement of work, a certificate evidencing this coverage shall be furnished to CCCTA by the CONTRACTOR. The policy shall also provide that the CONTRACTOR's policy will not be cancelled, or coverage reduced without sixty days' prior written notice to CCCTA.

- f) **Failure to Procure Insurance** CONTRACTOR's failure to procure and maintain required insurance will be a material breach of the contract and CCCTA may immediately terminate.

11. COMPENSATION

CONTRACTOR agrees to perform all the financial auditing services included in Section 2 in accordance with the fee schedule submitted by CONTRACTOR with its proposal, attached hereto and incorporated herein as Exhibit B, not to exceed the following sums, which sums shall include all labor, materials, taxes, profit, overhead, insurance and subcontractor costs incurred by CONTRACTOR:

Base Term Year 1, an annual fee not to exceed:

Base Term Year 2, an annual fee not to exceed:

Base Term Year 3, an annual fee not to exceed:

Optional Term Year 4, an annual fee not to exceed:

Optional Term Year 5, an annual fee not to exceed:

If the AUTHORITY exercises one or more option terms, compensation shall be in accordance with the fees set forth in CONTRACTOR's proposal (Exhibit B), which shall include all labor, materials, taxes, profit, overhead, insurance and subcontractor costs incurred by CONTRACTOR.

12. METHOD OF PAYMENT

CONTRACTOR shall submit invoices to AUTHORITY monthly. Invoices shall itemize, by personnel, the number of hours devoted by CONTRACTOR to work under this Agreement, applicable hourly rates in accordance with the fee schedule set forth in CONTRACTOR's proposal (Exhibit B), and those out-of-pocket expenses incurred in the performance of work hereunder. AUTHORITY will endeavor to pay approved invoices within thirty (30) days of their receipt. If the total cost of services for any one fiscal year, based upon the actual time devoted in the applicable hourly rate schedule for CONTRACTOR's personnel plus out-of-pocket expenses, is less than the maximum fee which may be charged for that fiscal year as delineated in Section 12 above, the lesser amount shall represent the total cost for services to be charged for that year.

13. CONTRACTOR'S STATUS

Neither the CONTRACTOR nor any party contracting with the CONTRACTOR shall be deemed to be an agent or employee of the AUTHORITY. The CONTRACTOR is and shall be an independent contractor, and the legal relationship of any person performing services for the CONTRACTOR shall be one solely between that person and the CONTRACTOR.

14. ASSIGNMENT

CONTRACTOR shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of AUTHORITY.

15. AUTHORITY WARRANTIES

The AUTHORITY makes no warranties, representations, or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

16. AUTHORITY REPRESENTATIVE

Except when approval or other action is required to be given or taken by the Board of Directors of the AUTHORITY, the Chief Financial Officer of the AUTHORITY, or such person or persons as he shall designate in writing from time to time, shall represent and act for the AUTHORITY.

17. TERMINATION

The AUTHORITY shall have the right to terminate this Agreement for convenience or default at any time by giving written notice to the CONTRACTOR. Upon receipt of such notice, the CONTRACTOR shall not commit itself to any further expenditure of time or resources.

If the Agreement is terminated for any reason other than a default by CONTRACTOR, the AUTHORITY shall pay to CONTRACTOR in accordance with the provisions of Section 11 all sums due and owing from AUTHORITY for all services performed and all expenses incurred up to the day written notice of termination is given, plus any costs reasonably and necessarily incurred by CONTRACTOR to affect such termination.

If the Agreement is terminated for default, the AUTHORITY shall remit final payment to CONTRACTOR in an amount to cover only those services performed and expenses incurred in full accordance with the terms and conditions of this Agreement up to the effective date of termination.

18. MAINTENANCE, AUDIT, AND INSPECTION OF RECORDS

All CONTRACTOR and subcontractors' costs incurred in the performance of this Contract will be subject to audit. CONTRACTOR and its subcontractors shall permit the AUTHORITY, the State Auditor, the Federal Transit Administration, or their authorized representatives to inspect, examine, make excerpts from, transcribe, and copy

CONTRACTOR's books, work, documents, papers, materials, payrolls records, accounts, and any and all data relevant to the Agreement at any reasonable time, and to audit and verify statements, invoices or bills submitted by the CONTRACTOR pursuant to this Agreement. The CONTRACTOR shall also provide such assistance as may be required during such audit. CONTRACTOR shall retain these records and make them available for inspection hereunder for a period of four (4) years after expiration or termination of the Agreement.

If, because of the audit, it is determined by the AUTHORITY's auditor or staff that reimbursement of any costs including profit or fee under this Contract was more than that represented and relied upon during price negotiations or represented as a basis for payment, the CONTRACTOR agrees to reimburse the AUTHORITY for those costs within sixty (60) days of written notification by the AUTHORITY.

19. EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of this Agreement, the CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, citizenship, political activity or affiliation, national origin, ancestry, physical or mental disability, marital status, age, medical condition (as defined under California law), veteran status, sexual orientation, gender identity, gender expression, sex or gender (which includes pregnancy, childbirth, breastfeeding, or related medical conditions), taking or requesting statutorily protected leave, or any other characteristics protected under federal, state, or local laws. The CONTRACTOR shall take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability, national origin, or any other characteristic protected under state, federal, or local laws. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

20. NON-DISCRIMINATION ASSURANCE

The CONTRACTOR shall not discriminate based on race, color, national origin, or sex in the performance of this Agreement. The CONTRACTOR shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of U.S. DOT-assisted contracts. Further, the CONTRACTOR agrees to comply with all provisions prohibiting discrimination on the basis of race, color, or national origin of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000d et seq., and/or the Fair Employment and Housing Act Government Code section 12940 et seq. and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq) and with U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act," 49 C.F.R. Part 21. Failure

by the CONTRACTOR to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the AUTHORITY deems appropriate. The CONTRACTOR shall obtain the same assurances from its joint venture partners, subcontractors, and subcontractors by including this assurance in all subcontracts entered into under this Agreement.

21. CONFLICT OF INTEREST

CONTRACTOR warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code §§ 1090 et seq. or §§ 87100 et seq. during the performance of services under this Agreement. The CONTRACTOR further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

Depending on the nature of the work performed, CONTRACTOR may be required to publicly disclose financial interests under the AUTHORITY's Conflict of Interest Code. CONTRACTOR agrees to promptly submit a Statement of Economic Interest on the form provided by AUTHORITY upon receipt.

No person previously in the position of Director, Officer, employee or agent of the AUTHORITY may act as an agent or attorney for, or otherwise represent, CONTRACTOR by making any formal or informal appearance, or any oral or written communication, before the AUTHORITY, or any Officer or employee of the AUTHORITY, for a period of 12 months after leaving office or employment with the AUTHORITY if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award or revocation of a permit, license, grant or contract.

The CONTRACTOR shall take all reasonable measures to preclude the existence or development of an organizational conflict of interest in connection with work performed under this Agreement. An organizational conflict of interest occurs when, due to other activities, relationships, or Contracts, a firm or person is unable, or potentially unable, to render impartial assistance or advice to the AUTHORITY. The CONTRACTOR shall not engage the services of any Subcontractor or Consultant on any work related to this Agreement if the Subcontractor or CONTRACTOR, or any employee of the Subcontractor or CONTRACTOR, has an actual or apparent organizational conflict of interest related to work or services contemplated under this Agreement.

If at any time during the term of this Agreement, the CONTRACTOR becomes aware of an organizational conflict of interest in connection with the work performed thereunder, the CONTRACTOR immediately shall provide the AUTHORITY with written notice of the facts and circumstances giving rise to this organizational conflict of interest. The CONTRACTOR's written notice will also propose alternatives for addressing or eliminating

the organizational conflict of interest. The AUTHORITY will consider the conflict presented and the alternatives proposed and meet with the CONTRACTOR to determine an appropriate course of action. The AUTHORITY's determination as to the way to address the conflict shall be final.

During the term of this Agreement, the CONTRACTOR must maintain lists of its employees, and the Subcontractors and Subconsultants used and their employees. The CONTRACTOR must provide this information to the AUTHORITY upon request. Submittal of such lists does not relieve the CONTRACTOR of its obligation to assure that no organizational conflicts of interest exist.

22. NOTICES

All communications relating to the day-to-day activities of the project shall be exchanged between the AUTHORITY's Chief Financial Officer and the CONTRACTOR's representative.

All other notices and communications deemed by either party to be necessary or desirable to be given to the other party shall be in writing and may be given by personal delivery to a representative of the parties or by mailing the same postage prepaid, addressed as follows:

If to the AUTHORITY: Central Contra Costa Transit Authority
 Attn: Chief Financial Officer
 2477 Arnold Industrial Way
 Concord, CA 94520-5327

If to the CONTRACTOR: _____
 Attn: _____

The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

23. ATTORNEYS' FEES

If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable attorneys' fees.

24. APPLICABLE LAW

This Agreement, its interpretation and all work performed under it shall be governed by the laws of the State of California.

25. THIRD PARTY BENEFICIARIES

This Agreement is not for the benefit of any person or entity other than the parties.

26. BINDING ON SUCCESSORS

All the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns and legal representatives.

27. SEVERABILITY

If any provision of this Agreement, or the application thereof to any person or circumstance, is rendered or declared illegal for any reason or shall be invalid or unenforceable, the remainder of the circumstances shall not be affected thereby but shall be enforced to the greatest extent permitted by applicable law. The parties agree to negotiate in good faith for a proper amendment to this Agreement in the event any provision hereof is declared illegal, invalid, or unenforceable.

28. ENTIRE AGREEMENT

This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof and may not be amended except by a written amendment executed by authorized representatives of both parties. In the event of a conflict between the terms and conditions of this Agreement and the attachments, the terms of this Agreement will prevail.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized offices and of the day and year first above written.

AUTHORITY

CONTRACTOR

CENTRAL CONTRA COSTA TRANSIT
AUTHORITY

By: _____

By: _____

Title: Chief Financial Officer

Title: _____

ATTEST:

By: _____
Board Clerk for the Authority

*By: _____

Title: _____

APPROVED AS TO FORM:

By: _____
Attorney for the AUTHORITY

* If the CONTRACTOR is a corporation, two officers of the corporations consisting of one from each of the following categories must sign the agreement: 1) the President, Vice President, or Board Chair and 2) the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer. If only one officer signs or an individual not specified above, the CONTRACTOR will submit satisfactory evidence that the individual is authorized to sign for and bind the corporation.