



Request for Proposals (RFP)

Internal Audit Services

To be submitted to:

**Alameda Corridor Transportation Authority
3760 Kilroy Airport Way, Suite 200
Long Beach, CA 90806**

(562) 247-7777

February 21, 2017

Internal Audit Services Request for Proposals

Key RFP Dates

| | |
|--------------------------------|-------------------|
| Issued: | February 21, 2017 |
| Pre-Proposal Conference: | None |
| Written Questions Received: | February 28, 2017 |
| Response to Questions Issued: | March 7, 2017 |
| Proposals Due: | March 14, 2017 |
| Interview Date (if necessary): | March 21, 2017 |

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**SUBJECT: NOTICE OF REQUEST FOR PROPOSALS
INTERNAL AUDIT SERVICES**

Gentlemen/Ladies:

The Alameda Corridor Transportation Authority invites proposals from qualified consultants to provide auditing services to perform indirect cost audits under FAR; incurred expense audits; revenue audits; and general audit assistance on a time and material basis.

Proposals must be submitted at or before 2:00 p.m. on Tuesday, March 14, 2017.

Proposals delivered in person, delivered using the U.S. Postal Service or by other means, such as overnight express, shall be submitted to the following:

**Alameda Corridor Transportation Authority
3760 Kilroy Airport Way, Suite 200
Long Beach, California 90806
Attention: Ms. April See**

Proposals and amendments to proposals received after the date and time specified above will be rejected by ACTA as nonresponsive and returned to the Proposer unopened.

Interested parties may view, download, and print the Request For Proposal (“RFP”) in its entirety and may register on ACTA’s website at www.acta.org.

A pre-proposal conference will not be held for this procurement.

ACTA is issuing this RFP in order to retain several qualified firms to perform these specialized services. The services will be allocated between the selected firms as deemed appropriate by ACTA.

Firms selected pursuant to this RFP will be required to comply with all applicable equal opportunity laws and regulations.

Interviews, if necessary, will be scheduled for Tuesday, March 21, 2017. Please make every effort to keep this date open.

Sincerely,

Alameda Corridor Transportation Authority

April See
Financial Systems Manager

SECTION I. INSTRUCTIONS TO PROPOSERS

A. PRE-PROPOSAL CONFERENCE

A pre-proposal conference will not be held for this procurement.

B. EXAMINATION OF PROPOSAL DOCUMENTS

Proposers shall be solely responsible for examining the RFP Documents, including any Addenda issued during the proposal period, and for informing itself with respect to any and all conditions which may in any way affect the amount or nature of the proposal, or the performance of the Services in the event a Proposer is selected.

By submitting a proposal, a Proposer represents that it has thoroughly examined and become familiar with the work required under the RFP and that it is capable of performing quality work to achieve ACTA's objectives.

In the event of any inconsistency in the RFP and the Agreement, the provision more favorable to ACTA shall control.

C. ADDENDA

Any ACTA changes to this RFP will be made by written addendum. The addenda will be posted to ACTA's website for any potential Proposer to view. Each Proposer that has registered with valid e-mail contact information will be notified, as well.

D. INQUIRIES

Inquiries concerning the RFP must be submitted to the following e-mail address: auditrfp@acta.org.

All pertinent questions and responses will be posted to ACTA's website for viewing by all potential Proposers.

Communications with ACTA are discussed in **Sections O. (Communication with ACTA)** and **P. (Ex Parte Communications)**. Please refer to those sections for further information.

E. SUBMISSION OF PROPOSALS

It is the Proposer's sole responsibility to see that its proposal is received as stipulated below.

1. Date and Time

Proposals must be submitted at or before 2:00 p.m. on Tuesday, March 14, 2017.

Proposals received after the above-specified date and time shall be considered nonresponsive and will be returned to the Proposer unopened.

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2. Address

Proposals delivered in person, using the U.S. Postal Services, or other means, such as overnight delivery shall be addressed as follows:

**Alameda Corridor Transportation Authority
3760 Kilroy Airport Way, Suite 200
Long Beach, California 90806
Attention: Ms. April See**

3. Identification of Proposals

Proposers shall submit **five (5) copies** of the proposal in a sealed package, addressed as shown above, bearing the Proposer's name and address and clearly marked as follows:

“RFP: GENERAL AUDITING SERVICES”

4. Acceptance of Proposals

- a. ACTA reserves the right to accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in proposals.
- b. ACTA reserves the right to withdraw this RFP at any time without prior notice and ACTA makes no representations that any contract will be awarded to any Proposer responding to this RFP.

F. PRE-CONTRACTUAL EXPENSES

ACTA shall not, in any event, be liable for any pre-contractual expenses incurred by Proposer in the preparation of its proposal. Proposer shall not include any such expenses as part of its proposal.

G. JOINT OFFERS

Where two or more Proposers desire to submit a single proposal in response to this RFP, they should do so on a prime-subcontractor basis rather than as a joint venture. ACTA intends to contract with individual firms and not with multiple firms doing business as a joint venture.

H. TAXES

Proposers' proposals are subject to State and Local sales taxes. However, ACTA is exempt from the payment of Federal Excise and Transportation Taxes.

I. CONTRACT TYPE

It is anticipated that any Agreements resulting from this solicitation, if awarded, will be time-and-expense contracts specifying a fully burdened hourly rate for each proposed person who will provide services under the Agreement along with a listing of all expenses to be charged.

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J. CONTRACT TASK ORDERS

This RFP is issued to place several selected firms on an on-call list. Work will be allocated to the selected firms as deemed appropriate by ACTA. Contract Task Orders (“CTOs”) will be issued which will specifically define the Scope of Work, the total cost of the CTO to be paid to the firm, and any other information, which may be needed to perform the services. ACTA does not guarantee that any or all of the on-call firms will be selected for assignments.

K. CONTRACT TERM

It is anticipated that any Agreements resulting from this solicitation, if awarded, will be one (1) initial three-year contract term from July 1, 2017 through June 30, 2020. ACTA, at its sole discretion, will have the option to extend the term of any Agreements for one (1) three (3) year period.

L. PROPOSED AGREEMENT

The successful Proposer(s) will be subject to the provisions contained in the Proposed Draft Agreement No. CXXXX included in the RFP as Exhibit C, except changes which may be made to reflect the terms of the successful Proposer(s)’ proposals. The final Agreements shall also incorporate other pertinent terms and conditions set forth in the RFP.

Potential Proposers’ attention is directed particularly to Agreement Article 9, which specifies the minimum insurance requirements that must be met by the Successful Proposer(s). Failure to state that a Proposer is in compliance with the minimum insurance requirements may cause a proposal to be deemed non-responsive.

M. PUBLIC RECORDS ACT

Responses to this RFP become the exclusive property of ACTA. In accordance with ACTA’s policies and procedures, and at such time as a recommendation of award to an Proposer is made to the ACTA Governing Board, all Proposals submitted in response to this RFP become a matter of public record and shall be regarded as public records. Said information shall be subject to the provisions of the California Public Records Act (Government Code Sections 6250 *et seq.*). ACTA’s use and disclosure of its records are governed by this Act.

N. ACTA RIGHTS

ACTA may investigate the qualifications of any Proposer under consideration, including financial capacity or capability, require confirmation of information furnished by a Proposer, and require additional evidence of qualifications to perform the Services described in this RFP. ACTA reserves the right to:

1. Reject any or all of the proposals;
2. Issue subsequent Requests For Proposals;
3. Cancel the entire Request For Proposals;
4. Remedy technical errors in the Request For Proposals process;
5. Appoint evaluation committees to review proposals;

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6. Seek the assistance of outside technical experts in Proposal evaluation;
7. Approve or disapprove the use of particular subcontractors;
8. Establish a short list of Proposers eligible for discussions, if necessary, after review of written proposals;
9. Negotiate, if necessary, with any, all, or none of the Proposers;
10. Solicit best and final offers, if necessary, from all or some of the Proposers;
11. Award a contract to one or more Proposers;
12. Award a contract to a Proposer without the lowest offer;
13. Waive informalities and irregularities in proposals; and/or
14. Independently score or re-score each of the Proposers' qualifications, experience and/or cost, consistent with the Procurement.

This RFP does not commit ACTA to enter into a contract, nor does it obligate ACTA to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract.

O. COMMUNICATION WITH ACTA

All communications regarding this RFP between potential Proposers and the staff of ACTA and consultants engaged by ACTA shall be done through ACTA's website, with the communication addressed to auditrfp@acta.org.

P. EX PARTE COMMUNICATIONS

During the RFP process (commencing February 21, 2017, until award of the Contract or cancellation of this RFP), no Proposer shall have any ex parte communications regarding the RFP Documents with any member of ACTA's staff, its Governing Board, or any of its contractors or consultants involved in the procurement, except for communications expressly permitted by the RFP Documents or resulting from on-going audit support.

Q. QUALIFICATIONS OF FIRMS

ACTA reserves the right to investigate the qualifications of all firms under consideration and to confirm any part of the information furnished by a Proposer, or to require other evidence of managerial, financial or other capabilities, which are considered necessary for the successful performance of the Agreement.

R. SMALL BUSINESS ENTERPRISE PROGRAM

There is no contract-specific SBE participation goal for this audit services procurement. In keeping with ACTA's Small Business Enterprise (SBE) program, Proposers are encouraged, where possible, to consider subcontracting a portion of the proposed activity to a certified SBE entity. Certification may be through any State or local agency certification/registration process. Any Proposer who is a certified SBE entity should so state in the proposal, providing written authentication of the Proposer's certification. In addition, ACTA's Governing Board has established SBE goals of 25% of all agreements and/or 25% of all agreement values.

(END OF INSTRUCTIONS TO PROPOSERS)

SECTION II. PROPOSAL CONTENT

A. PROPOSAL FORMAT AND CONTENT

1. Presentation

Proposals should not exceed ten (10) pages in length, excluding any appendices. Lengthy narrative is discouraged and presentations should be brief and concise.

2. Letter of Transmittal

The Letter of Transmittal shall be addressed to Ms. April See, ACTA's Financial Systems Manager, and must, at a minimum, contain the following:

- a. Identification of Proposer, including name, address and telephone number.
- b. Proposed working relationship between Proposer and subcontractors, if applicable.
- c. Acknowledgment of receipt of all RFP addenda, if any.
- d. Name, title, address and telephone number of contact person during period of proposal evaluation.
- e. A statement to the effect that the proposal shall remain valid for a period of not less than 90 days from the date of submittal.
- f. Signature of a person authorized to bind Proposer to the terms of the proposal.

3. Technical Proposal

a. Qualifications, Related Experience and References of Proposer

This section of the proposal should establish the ability of Proposer to satisfactorily perform the required work by reasons of: experience in performing work of a similar nature; demonstrated competence in the services to be provided; strength and stability of the firm; staffing capability; work load; record of meeting schedules on similar projects; and supportive client references.

Proposer shall:

- (1) Provide a brief profile of the firm, including the types of services offered; the year founded; form of the organization (corporation, partnership, sole proprietorship); number, size and location of offices; and number of employees.
- (2) Provide a general description of the firm's financial condition and identify any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that may impede Proposer's ability to complete the project.

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- (3) Describe the firm's experience in performing work of a similar nature to that solicited in this RFP, and highlight the participation in such work by the key personnel proposed for assignment to this project.
- (4) Identify subcontractors by company name, address, contact person, telephone number and project function. Describe Proposer's experience working with each subcontractor.
- (5) Provide as a minimum three (3) references for the projects cited as related experience, and furnish the name, title, address and telephone number of the person(s) at the client organization who is most knowledgeable about the work performed. Proposer may also supply references from other work not cited in this section as related experience.

b. Proposed Staffing and Project Organization

This section of the proposal should establish the method which will be used by the Proposer to manage the Scope of Work as well as identify key personnel assigned to the Scope of Work.

Proposer shall:

- (1) Provide education, experience, and applicable professional credentials of project staff.
- (2) Furnish brief resumes (not more than one [1] page each) for the proposed Project Manager and other key personnel.
- (3) Identify key personnel proposed to perform the work in the specified tasks and include major areas of subcontract work.
- (4) Include a project organization chart which clearly delineates communication/reporting relationships among the project staff.
- (5) Include a statement that key personnel will be available to the extent proposed for the duration of the project acknowledging that no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the ACTA.

c. Work Plan

Proposer shall provide a narrative which addresses the Scope of Work and shows Proposer's understanding of ACTA's needs and requirements.

Proposer shall:

- (1) Describe the approach to completing the tasks specified in the Scope of Work.
- (2) Illustrate ability to meet response times and schedules.

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- (3) Include a statement indicating ability to begin work with minimum notice.

Proposer may also propose procedural or technical enhancements/innovations to the Scope of Work which do not materially deviate from the objectives or required content of the Scope of Work.

4. Cost and Price Proposal

The Proposer shall complete the "Price Summary Sheet" included as Exhibit B with the RFP. Proposers shall list hourly labor rates to be used in pricing the work required by ACTA described in Exhibit A, Scope of Work. These labor rates are to be quoted on a fully-burdened basis, incorporating direct labor costs, indirect cost, and profit. Also, Proposer shall specify all expenses to be charged.

5. Appendices

Information considered by Proposer to be pertinent to this project and which has not been specifically solicited in any of the aforementioned sections may be placed in a separate appendix section as additional information. Proposers are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous materials. Appendices should be relevant and brief.

(END OF PROPOSAL CONTENTS)

SECTION III. EVALUATION AND AWARD

A. EVALUATION CRITERIA

ACTA will evaluate the proposals received based on the following criteria and scoring:

1. **Qualifications of the Firm – maximum score-25**
2. **Staffing and Project Organization – maximum score-30**
3. **Work Plan – maximum score-20**
4. **Cost and Price – maximum score-10**
5. **Completeness of Response – maximum score-15**

B. EVALUATION PROCEDURE

All proposals received as specified will be evaluated by an Evaluation Committee comprised of ACTA staff and may include audit personnel from other public agencies, and one or more independent field specialists, in accordance with the above criteria. During the evaluation period, ACTA may interview some or all of the proposing firms.

ACTA has selected March 21, 2017 to conduct interviews. All prospective Proposers are asked to keep this date available. Proposers should be aware that award may be made without interviews or further discussion.

C. AWARD

ACTA may negotiate contract terms with the selected Proposer(s) prior to award, and expressly reserves the right to negotiate with several Proposers simultaneously and, thereafter, to award a contract to the Proposer(s) offering the most favorable terms to ACTA.

ACTA reserves the right to award its total requirements to one Proposer or to apportion those requirements among several Proposers as ACTA may deem to be in its best interest. In addition, negotiations may or may not be conducted with Proposers; therefore, the proposal submitted should contain Proposer's most favorable terms and conditions, since the selection and award may be made without discussion by ACTA with any Proposer.

Prior to award of contract, the selected firm may be required to submit to a pre-award audit of their financial records to confirm claims of financial stability and ascertain the capacity of the firm's accounting and time keeping systems responsibilities for administering the Agreement.

D. NOTIFICATION OF AWARD

Proposers who submit a proposal in response to this RFP shall be notified in writing regarding the firm(s) who will be recommended to the ACTA Governing Board for award of a contract.

(END OF EVALUATION AND AWARD)

EXHIBIT A

SCOPE OF WORK

SCOPE OF WORK

INTERNAL AUDIT SERVICES

BACKGROUND

The Alameda Corridor Transportation Authority (“ACTA”) was established on August 31, 1989 through a Joint Exercise of Powers Agreement (JPA) between the City of Long Beach and the City of Los Angeles. ACTA was created primarily for the purpose of acquiring, constructing, financing and operating a dedicated freight corridor from the Ports of Los Angeles and Long Beach to the transcontinental rail network in downtown Los Angeles.

ACTA has an independent Governing Board has seven members, comprised of two members each from the Ports of Los Angeles and Long Beach, one member each from the cities of Los Angeles and Long Beach and one member representing the Los Angeles County Metropolitan Transportation Authority (LACMTA). The members of ACTA’s Governing Board as of December 31, 2016 were:

- Chairperson – Honorable Joseph Buscaino, City of Los Angeles Councilman
- Vice Chairperson - Honorable Suzie Price, City of Long Beach Councilwoman
- Member – Honorable Janice Hahn, Supervisor, County of Los Angeles
- Member – Mr. Rich Dines, Commissioner, Port of Long Beach.
- Member – Mr. Ed Renwick, Commissioner, Port of Los Angeles
- Member – Mr. Gene Seroka, Executive Director, Port of Los Angeles
- Member – Mr. Duane Kenagy, Interim Chief Executive, Port of Long Beach

The original Alameda Corridor Project was substantially complete in April 2002 when revenue operations on the Corridor began. ACTA is now focused on revenue collections from its two primary customers, the Union Pacific Railroad and Burlington Northern Santa Fe Railroad, and repayment of the bonds which were issued in order to pay for the construction of the original project. ACTA is also responsible for the maintenance-of-way activities on the Corridor.

ACTA is currently working with Caltrans on the State Route 47 (SR-47) project, which will enhance local goods movement.

More detailed information about ACTA and can be found on ACTA’s website www.acta.org.

OBJECTIVES

The general auditing services will serve to provide ACTA with independent audit services that will endeavor to increase the operational efficiency and effectiveness of ACTA as an agency and its contracts.

CONTRACT TASK ORDERS

ACTA will issue Contract Task Orders for specific work assigned to the selected firm(s).

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PROJECT MANAGEMENT

ACTA will define the scope of financial and operational audits the firms will be requested to perform.

ACTA staff may determine that certain audits will be awarded to firms based on the results of a Request for Proposal. The firms selected to be on-call will not be selected to perform all audits, nor are the firms selected to be on-call guaranteed any minimum amount of work.

ACTA's CFO will be ACTA's main contact with each firm regarding the scope and performance of the audits.

SCOPE OF WORK

The following areas are intended to be guidelines as to the type of assignments which may be referred to outside consultants to provide auditing assistance to ACTA.

Financial/Compliance Audits

Financial/Compliance Audits include an evaluation as to the adequacy of the internal controls, adherence to vendor contract provisions and accuracy of the data presented. These audits may be of specific accounts, grants, and sub-recipients of ACTA funds or vendors providing goods or services to ACTA. These audits may be indirect cost audits to determine whether the costs are in compliance with FAR.

Operational Audits

Operational audits are reviews of any part of the organization's operating procedures and methods for the purpose of evaluating the efficiency, effectiveness, and economy of the subject audit area. These audits can include an evaluation of revenues, procurements, or any other area in the organization.

General Administrative Assistance

General assistance may be assisting ACTA in miscellaneous audit or investigation efforts undertaken by ACTA.

ACTA staff will prioritize the assignment of the audits to the firms selected. The audits shall be conducted in accordance with Generally Accepted Governmental Auditing Standards. These standards are outlined in Government Auditing Standards - Standards for Audits of Governmental Organizations, Programs, Activities, and Functions issued by the Controller General of the United States.

If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, the firm will promptly notify ACTA's Chief Financial Officer and ACTA's legal co-counsel, which is provided by the Ports of Long Beach and Los Angeles. No extended services will be performed unless they are authorized in the contractual agreement, in an amendment to the agreement, or in a Contract Task Order.

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REQUIREMENTS

The firm will review operations in areas defined by ACTA staff. Most assignments will include:

- Familiarization with the physical operations and the basic objectives of the area to be audited.
- Review of the means of management control used in the operation to achieve the objective of the unit.
- Appraisal and evaluation of the adequacy and effectiveness of the management controls.
- Reporting of the positive and negative findings with appropriate recommendations, if applicable, for improvements.
- Familiarization with FAR and CAS.

An audit report must be issued for each assigned scope-defined audit. The contents of the audit will vary depending on the kinds of problems disclosed and the nature of the audit. Each audit report will contain, as a minimum, these elements:

- The objective and scope of the engagement.
- A management summary of the results of the audit.
- The general procedures utilized on the audit.
- The specific findings, with adequate descriptions of the weaknesses identified.
- Comments from the auditee regarding the findings.
- The appropriate and reasonable recommendations to correct the identified weaknesses.

Under no circumstances are Consultant's findings, suggestions, changes or recommendations to be discussed with the auditee without the prior consent of ACTA management.

(END OF SCOPE OF WORK)

EXHIBIT B
COST AND PRICE FORM

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**PRICE SUMMARY SHEET
REQUEST FOR PROPOSALS (RFP)**

- a. Specify fully-burdened hourly rates (including all overhead costs, general administration expenses and profit) for each employee who will provide specialized auditing services:

| <u>NAME</u> | <u>FUNCTION</u> | <u>HOURLY RATE</u> |
|-------------|-----------------|--------------------|
| _____ | _____ | \$ _____ |
| _____ | _____ | \$ _____ |
| _____ | _____ | \$ _____ |
| _____ | _____ | \$ _____ |
| _____ | _____ | \$ _____ |
| _____ | _____ | \$ _____ |
| _____ | _____ | \$ _____ |

- b. Specify other direct costs required to provide specialized auditing services.

| <u>Description</u> | <u>RATE</u> |
|--------------------|-------------|
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |

- c. Specify any annual percentage increase to the fully-burdened hourly rate for the three-year optional term.

Option Term _____

EXHIBIT C
PROPOSED AGREEMENT