

Council of San Benito County Governments

Request for Proposals

Financial Audit for FYE June 30, 2011

Notice is hereby given that the Council of San Benito County Governments (COG) is soliciting proposals as specified herein.

1. Brief description of services sought:

The Council of San Benito County Governments is soliciting financial auditing services for the fiscal year ending June 30, 2011. Auditing services are to be conducted in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Controller General of the United States; and provisions of OMB Circular A-133, Audits of State and Local Governments. Those standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The Audits must also meet all requirements of California state law relating to fiscal audits of a Regional Transportation Planning Agency (RTPA) and Transportation Development Act (TDA) claimants. Specifically, auditor shall perform fiscal audits, which comply with all provisions of Title 21, California Code of Regulations, sections 6662, 6664, 6666, and 6667, and related sections of the California Code of Regulations and adopted by the State of California Business, Transportation and Housing Agency, Department of Transportation, and certain provisions of laws, regulations, contracts, and grants.

2. Issuing Department: Council of San Benito County Governments

3. Date Issued: April 25, 2010

4. Proposals are due: Date: June 24, 2011
Time: 4:00 p.m. (no postmarks accepted)

5. Interviews: To be determined.

All proposals must be received on or before the date and time listed above. A proposal received after the date and time listed above shall not be considered.

6. Number of copies of a proposal to be submitted: An original proposal plus three (3) copies.

7. Exhibits. There are five (5) exhibits to this request. The exhibits govern this Request for Proposals and are incorporated as part of this Request for Proposals by this reference.

The following exhibits are incorporated:

Exhibit 1: Detailed Description of Services Sought

Exhibit 2: Standard Contract to be Executed by COG and the Successful Proposer

Exhibit 3: General Provisions Governing the Request for Proposal Process

Exhibit 4: Specific Terms and Conditions

Exhibit 5: Frequently asked Questions

8. COG Representative: SEND PROPOSALS OR INQUIRIES TO THE COG REPRESENTATIVE AT THE ADDRESS BELOW:

Kathy Postigo
Administrative Services Specialist
Council of San Benito County Governments
330 Tres Pinos Rd., Suite C 7
Hollister, CA 95023
kpostigo@sanbenitocog.org
(831) 637-7665
Fax (831) 636-4160

Thank you for your interest.

Approved As To Legal Form:
San Benito County Counsel's Office

Shirley L. Murphy, Deputy County Counsel

Date

EXHIBIT 1

DETAILED DESCRIPTION OF PROPOSALS SOUGHT

1. SCOPE OF WORK

The purpose of this Request for Proposals is to solicit proposals from independent Auditors who are qualified to provide the following services:

- a. Perform annual fiscal audit of the Council of San Benito County Governments (COG) for FYE June 30, 2011 (if necessary perform a single audit).
- b. Perform annual fiscal audit of Transportation Development Act (TDA) funds of claimants: COG, Local Transportation Authority, Measure A Authority, Airport Land Use Commission, Service Authority for Freeways and Expressways, City of Hollister, San Benito County, and City of San Juan Bautista.

The Audits must meet all requirements of California state law relating to fiscal audits of a Regional Transportation Planning Agency (RTPA) and Transportation Development Act (TDA) claimants. Specifically, auditor shall perform fiscal audits, which comply with all provisions of Title 21, California Code of Regulations, sections 6662, 6664, 6666, and 6667, and related sections of the California Code of Regulations and adopted by the State of California Business, Transportation and Housing Agency, Department of Transportation, and certain provisions of laws, regulations, contracts, and grants applicable to the use of such funds.

2. SELECTION SCHEDULE

Issue Request for Proposals	April 25, 2011
Proposer Deadline for Questions	June 10, 2011
COG Deadline to Respond to Questions	June 17, 2011
Proposals Due	June 24, 2011
Review of Proposals	June 27 – July 1, 2011
COG to Select Auditor	July 8, 2011
COG Contract Approval	July 21, 2011

3. EVALUATION OF PROPOSALS

The Executive Director and appropriate staff will screen the proposals and interview qualified candidates, if necessary, based on the following criteria:

- a. Responsiveness to this Request for Proposals;
- b. Demonstrated understanding of the purpose and the requirements of the audit;
- c. The qualifications and experience of the auditor directly related to the requirements of this Request for Proposals;
- d. Reference check; and

- e. Cost.

4. CONTENTS OF PROPOSAL

- a. Transmittal letter summarizing the proposal and signed by an official authorized to solicit business and sign contracts.
- b. Name of Auditor.
- c. Brief description of your approach to the fiscal audit including proposed work program, list of deliverables, and schedule for completion of audit by December 31, 2011.
- d. Names and qualifications of all professionals who will work on the project, including any subcontractors and organization chart.
- e. Past projects related to this type of audit, including project description and contact name, address, phone number of client, and the year the work was done.
- f. Project cost proposal for the fiscal year audit. Present a project budget by task and hourly rates for all positions and staff persons expected to work on the project during the first year. Annual hourly rate for the duration of the audit contract. Hourly rates should indicate overhead rates applied (as appropriate). Once the contract is signed, hourly and other rates shall remain in effect for the duration of the contract unless amended by mutual agreement to allow for cost escalations.
- g. 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 project.

5. DEADLINE FOR SUBMITTALS

The Council of San Benito County Governments must receive one reproducible original and three copies of the proposal by **Friday, June 24, 2011, 4:00 p.m. PST**. Proposals not received by that date and time will not be considered and will be returned to proposer. Proposal package shall be clearly marked as COG Financial Audit Proposal. Please submit proposal to:

Kathy Postigo
Administrative Services Specialist
Council of San Benito County Governments
330 Tres Pinos Road, Suite C 7
Hollister, CA 95023

6. AWARD OF CONTRACT

Costs to prepare the proposal shall be borne by the proposer. The Council of San Benito County Governments reserves the right to reject any or all proposals, and to amend the scope of work prior to the contract being signed. This request for proposals does not constitute an offer of

employment or contract. The Council of San Benito County Governments may withdraw this request for any reason.

EXHIBIT 2***STANDARD CONTRACT TO BE EXECUTED BY COG AND SUCCESSFUL PROPOSER*****CONTRACT**

The COUNCIL OF SAN BENITO COUNTY GOVERNMENTS ("COG") and _____ ("CONTRACTOR") enter into this contract which shall be effective on the date stated in Paragraph 1.

1. Duration of Contract.

This contract shall commence on _____, and end on _____ unless sooner terminated as specified herein.

2. Scope of Services.

CONTRACTOR, for COG's benefit shall perform the services specified on Attachment A to this contract. Attachment A is made a part of this contract.

3. Compensation for Services.

In consideration for CONTRACTOR's performance, COG shall pay compensation to CONTRACTOR according to the terms specified in Attachment B. Attachment B is made a part of this contract.

4. General Terms and Conditions.

The rights and duties of the parties to this contract are governed by the general terms and conditions mutually agreed to and listed in Attachment C. Attachment C is made a part of this contract.

5. Insurance Limits.

CONTRACTOR shall maintain the following insurance policy limits of coverage consistent with the further insurance requirements specified in Attachment C.

- (a) Comprehensive general liability insurance: _____
- (b) Professional liability insurance: _____
- (c) Comprehensive motor vehicle liability insurance: _____

6. Termination.

The number of days of advance written notice required for termination of this contract is _____ days.

7. Specific Terms and Conditions. (check one)

- [] There are no additional provisions to this contract.
- [] The rights and duties of the parties to this contract are additionally governed by the specific, additional terms mutually agreed to and listed in Attachment D. Attachment D is made a part of this contract.

8. Information about Contract Administrators.

The following names, titles, addresses, and telephone numbers are the pertinent information for the respective contract administrators for the parties.

Contract Administrator for COG:

Name: Lisa Rheinheimer

Title: Executive Director

Address: 330 Tres Pinos Rd., Suite C 7
Hollister, California 95023

Phone No.: (831) 637-7665

Fax No.: (831) 636-4160

Contract Administrator for CONTRACTOR:

Name:

Title:

Address:

Telephone No.:

Fax No.:

SIGNATURES

APPROVED BY COG:

Name:

Council of San Benito County
Governments

Date:

APPROVED BY CONTRACTOR:

Name:

Title:

Tax I.D. No.:

Date:

APPROVED AS TO LEGAL FORM:

San Benito County Counsel's Office

By: Shirley L. Murphy, Deputy County
Counsel

Date:

ATTACHMENT A
Scope of Services

To be completed by COG and successful proposer

ATTACHMENT B
Payment Schedule

B-1. BILLING

Charges for services rendered pursuant to the terms and conditions of this contract shall be invoiced on the following basis: (check one)

- ☐ One month in arrears.
- ☐ Upon the complete performance of the services specified in Attachment A.
- ☐ The basis specified in paragraph B-4.

B-2. PAYMENT

Payment shall be made by COG to CONTRACTOR at the address specified in paragraph 7 this contract, net thirty (30) days from the invoice date.

B-3. COMPENSATION

COG shall pay to CONTRACTOR: *(check one)*

- ☐ a total lump sum payment of \$ _____, or
- ☐ a total sum not to exceed \$ _____.

for services rendered pursuant to the terms and conditions of this contract and pursuant to any special compensation terms specified in this attachment, Attachment B.

B-4. SPECIAL COMPENSATION TERMS: (check one)

- ☐ There are no additional terms of compensation.
- ☐ The following specific terms of compensation shall apply: (Specify)

ATTACHMENT C
General Terms and Conditions

C-1. INDEMNIFICATION.

CONTRACTOR and COG each agree to indemnify, defend and save harmless the other party and the other party's officers and employees, from and against any and all claims and losses whatsoever arising out of, or in any way related to, the indemnifying party's performance under this contract, including, but not limited to, claims for property damage, personal injury, death, and any legal expenses (such as attorneys' fees, court costs, investigation costs, and experts' fees) incurred by the indemnitee in connection with such claims or losses. A party's "performance" includes the party's action or inaction and the action or inaction of that party's officers and employees.

C-2. GENERAL INSURANCE REQUIREMENTS.

Without limiting CONTRACTOR's duty to indemnify COG, CONTRACTOR shall comply with the insurance coverage requirements set forth in the contract and in this attachment. Those insurance policies mandated by Paragraph C-3 shall satisfy the following requirements:

- (a) Each policy shall be issued by a company authorized by law to transact business in the State of California.
- (b) Each policy shall provide that COG shall be given notice in writing at least thirty (30) days in advance of any change, cancellation, or nonrenewal thereof.
- (c) The comprehensive motor vehicle and comprehensive general liability policies shall each provide an endorsement naming COG and its officers, agents and employees as additional insureds.
- (d) The required coverage shall be maintained in effect throughout the term of this contract.

CONTRACTOR shall require all subcontractors performing work under this contract to obtain substantially the identical insurance coverage required of CONTRACTOR pursuant to this agreement.

C-3. INSURANCE COVERAGE REQUIREMENTS.

If required by paragraph 5 of the contract, CONTRACTOR shall maintain the following insurance policies in full force and effect during the term of this contract:

- (a) Comprehensive general liability insurance. CONTRACTOR shall maintain comprehensive general liability insurance, covering all of CONTRACTOR's operations with a combined single limit of not less than the amount set out in paragraph 5 of this contract.

- (b) Professional liability insurance. CONTRACTOR shall maintain professional liability insurance with liability limits of not less than the amount set out in paragraph 5 of this contract.
- (c) Comprehensive motor vehicle liability insurance. CONTRACTOR shall maintain comprehensive motor vehicle insurance covering all motor vehicles (including owned, non-owned and hired) used in providing services under this contract, with a combined single limit of not less than the amount set out in Paragraph 5 of this contract.
- (d) Workers' compensation insurance. CONTRACTOR shall maintain a workers' compensation plan covering all of its employees as required by California Labor Code Section 3700, either through workers' compensation insurance issued by an insurance company or through a plan of self-insurance certified by the State Director of Industrial Relations. If CONTRACTOR elects to be self-insured, the certificate of insurance otherwise required by this contract shall be replaced with a consent to self-insure issued by the State Director of Industrial Relations.

C-4. CERTIFICATE OF INSURANCE.

Prior to the commencement of performance of services by CONTRACTOR and prior to any obligations of COG, CONTRACTOR shall file certificates of insurance with COG, showing that CONTRACTOR has in effect the insurance required by this contract. CONTRACTOR shall file a new or amended certificate promptly after any change is made in any insurance policy which would alter the information on the certificate then on file. In lieu of providing proof of insurance, CONTRACTOR may provide proof of self-insurance meeting requirements equivalent to those imposed herein. CONTRACTOR warrants that CONTRACTOR's self-insurance provides substantially the same protection to COG as the insurance required herein. CONTRACTOR further agrees to notify COG in the event any change in self-insurance occurs that would alter the obligations undertaken in this contract within thirty (30) days of such change.

C-5. RECORDS TO BE MAINTAINED.

CONTRACTOR shall keep and maintain accurate records of all costs incurred and all time expended for work under this contract. CONTRACTOR shall contractually require that all of CONTRACTOR's subcontractors performing work called for under this contract also keep and maintain such records. All such records, whether kept by CONTRACTOR or any subcontractor, shall be made available to COG or its authorized representative, or officials of the State of California for review or audit during normal business hours, upon reasonable advance notice given by COG, its authorized representative, or officials of the State of California.

C-6. RETENTION OF RECORDS.

CONTRACTOR shall maintain and preserve all records related to this contract for a period of three years from the close of the fiscal year in which final payment under this contract is made. CONTRACTOR shall also contractually require the maintenance of such records in the possession of any third party performing work related to this contract for the same period of time. Such records shall be retained beyond the three-year period, if any audit involving such records is then pending, until the audit findings are resolved. The obligation to insure the

maintenance of the records beyond the initial three year period shall arise only if the COG notifies CONTRACTOR of the commencement of an audit prior to the expiration of the three year period.

C-7. TITLE TO DOCUMENTS; COPYRIGHT.

All reports and other materials collected or produced by the CONTRACTOR or any subcontractor of CONTRACTOR shall, after completion and acceptance of the contract, become the property of COG, and shall not be subject to any copyright claimed by the CONTRACTOR, subcontractor, or their agents or employees. CONTRACTOR may retain copies of all such materials exclusively for administrative purposes. Any use of completed or uncompleted documents for other projects by CONTRACTOR, any subcontractor, or any of their agents or employees, without the prior written consent of COG is prohibited.

C-8. INDEPENDENT CONTRACTOR.

CONTRACTOR and its officers and employees, in the performance of this contract, are independent contractors in relation to COG and not officers or employees of COG. Nothing in this contract shall create any of the rights, powers, privileges or immunities of any officer or employee of COG. CONTRACTOR shall be solely liable for all applicable taxes or benefits, including, but not limited to, federal and state income taxes, Social Security taxes, or ERISA retirement benefits, which taxes or benefits arise out of the performance of this contract. CONTRACTOR further represents to COG that CONTRACTOR has no expectation of receiving any benefits incidental to employment.

C-9. CONFLICT OF INTEREST.

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. CONTRACTOR further covenants that, in the performance of this contract, no subcontractor or person having such an interest shall be used or employed.

C-10. COMPLIANCE WITH APPLICABLE LAWS.

CONTRACTOR shall comply with all applicable federal, state and local laws now, or hereafter, in force, and with any applicable regulations, in performing the work and providing the services specified in this contract. This obligation includes, without limitation, the acquisition, and maintenance of any permits, licenses, or other entitlements necessary to perform the duties imposed expressly or impliedly under this contract.

C-11. NONDISCRIMINATION.

CONTRACTOR shall not discriminate in the employment of persons necessary to perform this contract on any legally impermissible basis, including on the basis of the race, color, national origin, ancestry, religion, age, sex, or disability of such person.

C-12. BANKRUPTCY.

CONTRACTOR shall immediately notify COG in the event that CONTRACTOR ceases conducting business in the normal manner, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, or avails itself of, or becomes subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors.

C-13. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION OF DUTIES.

Except as specifically authorized herein, no rights under this contract may be assigned and no duties under this contract may be delegated by CONTRACTOR without the prior written consent of COG, and any attempted assignment or delegation without such consent shall be void.

C-14. NEGOTIATED CONTRACT.

This contract has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this contract within the meaning of California Civil Code Section 1654.

C-15. SEVERABILITY.

Should any provision herein be found or deemed to be invalid, this contract shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect. To this end, the provisions of this contract are declared to be severable.

C-16. ENTIRE CONTRACT.

This contract is the entire agreement of the parties. There are no understandings or agreements pertaining to this contract except as are expressly stated in writing in this contract or in any document attached hereto or incorporated herein by reference.

C-17. TIME IS OF THE ESSENCE.

Time is of the essence in the performance of this contract.

C-18. TERMINATION.

Either party may terminate this contract, with or without cause, at any time. In order to terminate this contract, the terminating party shall give advance written notice to the other party. The termination shall be effective no earlier than the expiration of the number of days specified in paragraph 6 of this contract. The termination notice shall be made as specified in paragraph C-19, below. In the event of termination, COG shall pay CONTRACTOR for all work satisfactorily performed prior to the effective date of the termination.

C-19. NOTICES.

Notices to the parties in connection with the administration of this contract shall be given to the parties' contract administrator personally, by regular mail, or by facsimile transmission as more particularly specified in this paragraph. Notices will be deemed given on:

- (a) The day the notice is personally delivered to the contract administrator or the office of the party's contract administrator; or
- (b) Five days after the date the notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, with first-class postage fully prepaid; or
- (c) On the day that the notice is transmitted by facsimile to a party's facsimile number specified in paragraph 8 of this contract, provided that an original of such notice is deposited in the United States mail, addressed to a party's contract administrator as indicated in this contract, on the same day as the facsimile transmission is made.

C-20. RESPONSIBILITY OF CONTRACT ADMINISTRATORS.

All matters concerning this contract which are within the responsibility of the parties shall be under the direction of, or shall be submitted to, the respective contract administrators or to the party's employee specified, in writing, by the contract administrator. A party may, in its sole discretion, change its designation of its contract administrator and shall promptly give written notice to the other party of any such change.

C-21. MATERIALITY.

The parties consider each and every term, covenant, and provision of this contract to be material and reasonable.

C-22. WAIVER.

Waiver by either party of a breach of any covenant of this contract will not be construed to be a continuing waiver of any subsequent breach. COG's receipt of consideration with knowledge of CONTRACTOR's violation of a covenant does not waive its right to enforce any covenant of this contract. The parties shall not waive any provisions of this contract unless the waiver is in writing and signed by all parties.

C-23. AUTHORITY AND CAPACITY.

CONTRACTOR and CONTRACTOR's signatory each warrant and represent that each has full authority and capacity to enter into this contract.

C-24. BINDING ON SUCCESSORS.

All of the conditions, covenants and terms herein contained shall apply to, and bind, the heirs, successors, executors, administrators and assigns of CONTRACTOR. CONTRACTOR and all of CONTRACTOR's heirs, successors, executors, administrators, and assigns shall be jointly and severally liable under this contract.

C-25. CUMULATION OF REMEDIES.

All of the various rights, options, elections, powers and remedies of the parties shall be construed as cumulative, and no one of them exclusive of any other or of any other legal or equitable remedy which a party might otherwise have in the event of a breach or default of any condition, covenant or term by the other party. The exercise of any single right, option, election, power or remedy shall not, in any way, impair any other right, option, election, power or remedy until all duties and obligations imposed shall have been fully performed.

C-26. INDEPENDENT ADVICE.

Each party hereby represents and warrants that in executing this contract it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it has received independent legal advice from its attorney with respect to the matters set forth in this contract and the rights and duties arising out of this contract, or that such party willingly foregoes any such consultation.

C-27. NO RELIANCE ON REPRESENTATIONS.

Each party hereby represents and warrants that it is not relying, and has not relied, upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this contract may hereunder turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true. The parties expressly assume the risk of the facts turning out to be different and agree that this contract shall be effective in all respects and shall not be subject to rescission by reason of any such difference in facts.

C-28. REDUCTION OF CONSIDERATION.

CONTRACTOR agrees that COG shall have the right to deduct from any payments specified in Attachment B any amount owed to COG by CONTRACTOR as a result of any obligation arising prior to, or after, the execution of this contract. For purposes of this paragraph, obligations arising prior to, or after, the execution of this contract may include, without limitation, any property tax, secured or unsecured, which tax is in arrears. If COG exercises the right to reduce the consideration specified in Attachment B, COG, at the time of making a reduced payment, shall give CONTRACTOR notice of the amount of any off-set and the reason for the reduction.

C-29. COUNTERPARTS.

This contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall together constitute one contract.

END OF ATTACHMENT C.

End of Exhibit 2.

EXHIBIT 3

GENERAL PROVISIONS GOVERNING THE REQUEST FOR PROPOSALS PROCESS

C-1 SUBMITTAL OF REQUEST FOR PROPOSAL PACKAGE.

- (a) Sealed proposals will be accepted until the date and time specified on the Request for Proposals. Use of U.S. Mail will be at the proposer's risk. Proposals received after this date will not be considered. Facsimile transmission of proposals is unacceptable.
- (b) Proposals must be signed by the proposer or by a duly authorized officer of the proposing organization, delivered along with all required documents, sealed and plainly addressed to the agency representative specified on the Request for Proposals.
- (c) All costs of the preparation of a proposal shall be the responsibility of the proposer.
- (d) The original and the number of copies specified on the Request for Proposals must be completed and submitted as outlined herein.
- (e) If a prospective proposer has any questions relating to this Request for Proposals, the questions, in writing, must be received by COG representative by June 10, 2011, 5:00 p.m.. Questions will not be accepted by FAX, telephone or orally. All questions and responses thereto will be distributed to all persons requesting a Request for Proposals package, potential proposers or actual proposers. COG reserves its right to decline to respond to any questions if, in COG's assessment, the information cannot be obtained and shared with all potential proposers in a timely manner.
- (f) All materials submitted in response to the Request for Proposals become the property of COG and shall not be returned.

C-2 WITHDRAWAL OF PROPOSALS.

- (a) The proposer may withdraw a proposal by submitting a written request for its withdrawal to a COG representative at any time prior to the proposal submission deadline. The withdrawal shall be signed by the proposer or an authorized agent of the proposer.
- (b) The proposer may thereafter submit a new proposal prior to the deadline. Modifications of a proposal offered in a manner, oral or written, will not be considered after the deadline.

C-3 SELECTION PROCEDURE.

- (a) COG will review proposals and determine which proposers may be called for an oral interview. All others may be eliminated from consideration.
- (b) Proposals will be evaluated on the criteria specified in the Request for Proposals.

Exhibit 3.

- (c) COG will rank the proposals in descending order of preference. COG will then select the preferred proposal. All proposers shall be notified of the proposal which is ranked highest. No other information will be released.
- (d) COG and the highest ranked proposer shall negotiate terms of a contract consistent with the Request for Proposals and the proposal. The successful proposer will be expected to enter into the agreement appended to this Request for Proposals.
- (e) If agreement is not reached within a reasonable time after the highest ranked proposal is selected, COG reserves its right to terminate negotiations with the highest ranked proposer, suspend the process entirely or request new proposals.
- (f) COG reserves the right to reject any and all proposals received pursuant to the Request for Proposals. COG is under no obligation to award any contract.
- (g) There shall be no appeal of any decision of COG, or any COG representative.
- (h) Award of a contract shall not be based on cost alone, but on the strength of qualifications of the proposer and the proposers' capability of providing the services outlined in the Request for Proposals.

End of Exhibit 3

EXHIBIT 4

SPECIFIC TERMS AND CONDITIONS

- D-1. Unless terminated, this contract shall automatically renew for 3 successive 1-year periods (July 1-June 30) under the same terms and conditions unless either party, not less than sixty (60) days before the expiration of the contract, provides written notice of intent that the agreement not be renewed.
- D-2. The provision in paragraph D-1 will not in any way prevent either party from exercising the right to terminate this contract with 30 days written notice as specified in paragraph 6 of this contract, and the termination provisions as provided in paragraph 6 of this contract shall apply to all contract renewals.

End of Exhibit 4

EXHIBIT 5

FREQUENTLY ASKED QUESTIONS

Question 1. Who was the prior year auditor?

Response: Grace & Associates

Question 2. What are COG's major sources of revenue?

Response: A list of COG's 2010/11 revenue sources is attached.

Question 3. What are COG's major expenditure categories?

Response: Transportation planning and contracted transit operations.

Question 4. Who performs accounting functions for COG?

Response: COG staff and the County of San Benito Auditor's Office (via contract).

Question 5. Does COG have any debt issuance?

Response: COG does not have any debt issuance.

Question 6. Where is idle cash invested?

Response: Cash is invested via San Benito County in the Local Area Investment Fund for the State of California.

Question 7. What are COG's current year federal expenditures to date?

Response: This information is not available at this time.

Question 8. How many employees does COG have?

Response: There are 8 full time equivalent employee positions.

Question 9. Please provide a copy of last year's audit.

Response: Prior year audit is available on the Council of Governments web site at www.SanBenitoCOG.org.

End of Exhibit 5

FY 2010/2011 COUNCIL OF GOVERNMENTS REVENUE SUMMARY

REVENUE SUMMARY	Current Year Budget FY 09/10	Current Year Estimated FY 09/10	Request for New Year FY 10/11	Variance FY 09/10 FY 10/11
Category				
6540101 Local Transportation Authority				
570003 Sale of Fixed Assets	2,000	-	-	(2,000)
551113 Misc (FTA 5311 Operating Assistance)	239,140	239,140	232,147	(6,993)
551113 Misc (FTA 5311F Economic Recovery)	374,275	374,275	-	(374,275)
576012 LTF transfer	1,089,755	1,031,453	1,107,599	17,844
570015 AB 2766 GRH (2008/2009 & 2009/2010)	-	5,000	25,000	25,000
551113 FTA 5304:Transit Tech (Goggle)	-	-	44,265	44,265
551113 FTA 5305: Designing Transit Manual	44,265	-	-	-
562803 County Express Fares	160,000	160,000	162,000	2,000
551113 ARRA (Preventive Maintenance)	-	10,000	-	-
551113 FTA 5316 (GRH)	-	-	30,000	-
Total	\$1,909,435	\$1,819,868	\$1,601,011	(\$294,159)
6530101 Local Transportation Fund				
LTF Balance	1,176,088	1,040,607	303,758	(872,330)
341000 LTF Reserved for Bike/Ped	389,450	373,997	396,888	7,438
541001 LTF Interest Revenue	55,000	11,000	10,000	(45,000)
550102 Highway Users Tax (1/4%) LTF	1,200,000	1,136,480	1,144,555	(55,445)
Set aside Local Streets & Roads	-	-	700,000	700,000
Total	\$2,820,538	\$2,562,084	2,555,201	(265,337)
6575101 PTMISEA & Recovery & CTAF				
551401 CTSGP - CTAF (State)	-	46,712	46,712	46,712
Fund Balance (carryover previous years)	-	37,509	-	-
541001 Interest Revenue	-	-	-	-
Total	\$0	\$84,221	\$46,712	\$46,712
6570101 Transportation Planning State Subvention				
551405 STIP Planning, Programming, & Monitoring	100,000	100,000	100,000	-
556310 CMAQ SJ Bike lanes	-	38,800	68,000	68,000
570015 AB 2766 SJ bike Lanes	110,000	-	110,000	-
576012 LTF Transfer (SJHBL=\$70,000)	70,000	18,680	51,320	-
570015 AB2766 San Juan Bike Education	-	-	5,000	-
570015 AB 2766 Safe Routes to School	-	3,333	6,666	-
570015 AB 2766 (Air District)ALUC	45,000	45,000	-	(45,000)
570020 Contributions Hollister/San Benito Co(ALUC)	65,000	65,000	-	(65,000)
551407 Rural Planning Assistance	275,000	275,000	275,000	-
556310 CMAQ Bike & Ped Master Plan	-	5,109	-	-
551401 Bike & Ped Master Plan (CBTPG)	-	2,956	-	-
576012 LTF Transfer (Bike & Ped. Master Plan)	-	14,183	-	-
551412 RSTP Exchange	597,412	476,569	476,569	(120,843)
Fund Balance (carry over of previous years)	1,532,069	1,532,069	1,356,167	(175,902)
541001 Interest Revenue	50,000	17,750	17,750	(32,250)
Total	\$2,844,481	\$2,594,449	2,466,472	(\$370,995)
6520101 State Transit Assistance				
551406 STAF Revenue	-	150,000	150,000	150,000
Fund Balance (carryover previous years)	-	-	-	-
541001 STAF Interest Revenue	-	-	-	-
Total	\$0	\$150,000	\$150,000	\$150,000
6550103 COG Administration				
564501 Copies	-	16	-	-
576012 Contributions (From Planning Sub.)	198,968	216,804	135,436	-
576012 Contributions (LTF)	141,245	141,245	234,357	93,112
Total	\$340,213	\$358,065	\$369,793	\$93,112

REVENUE RESOURCES		Current Year	Current Year	Request for	Variance
Category		Budget	Estimated	New Year	FY 09/10
		FY09/10	FY 09/10	FY 10/11	FY 10/11
6545101 Rideshare Fund					
556310	CMAQ Rideshare	40,000	-	40,000	-
570012	AB 2766		36,000		
570012	Donations/Balance	51,069	55,743	51,069	-
	Total	\$91,069	\$91,743	\$91,069	\$0
6551101 Hwy 25 Safety					
541001	Interest Revenue	70,000	20,000	-	(70,000)
564501	Copies	-	-	-	-
551405	STIP Hwy 25 Safety	10,825,000	8,000,000	2,825,000	(8,000,000)
570014	Contributions (RDA)Balance	3,400,000	2,319,714	2,132,755	(1,267,245)
	Total	\$14,295,000	\$10,339,714	\$4,957,755	(\$9,337,245)
6555101 Vanpool Administration Account					
542010	Passenger Lease Fees	25,000	16,650	16,200	(8,800)
570015	MBUAPCD-AB2766	17,133	-	17,133	-
556310	Carryover from previous years	80,918	80,900	75,000	(5,918)
	Total	\$123,051	\$97,550	\$108,333	(\$8,800)
*TOTAL COG REVENUES		\$20,174,139	\$15,835,556	10,328,830	(\$9,832,377)

**Total does not include the transfer of LTF funds
or Planning Subvention to COG Administration.*

Note: Revenue to the various accounts are reimbursed at the end of the fiscal year or when the project has been completed.

Acronyms summary:

RSTP - Regional Surface Transportation Program

CMAQ - Congestion Mitigation and Air Quality

5311 - Federal Transit Administration Section 5311 Program

MBUAPCD - Monterey Bay Unified Air Pollution Control District

STIP - State Transportation Improvement Program

LTF - Local Transportation Fund