

**STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: February 13, 2014**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to execute Amendment No. 1 to the professional services agreement between the Transbay Joint Powers Authority and Vavrinek, Trine, Day & Co., LLP (VTD), exercising the option to extend the term of the agreement for two years and increase the total compensation by the option price of \$96,000.

SUMMARY:

On March 10, 2011, following a competitive procurement process, the TJPA Board authorized the Executive Director to award a contract to VTD, a certified public accounting firm, to provide independent auditing services for the Transbay Transit Center Program. The agreement was for a maximum of \$144,000 for Basic Services (on a fixed-fee basis of \$48,000 per fiscal year audit) and up to \$25,000 for Additional Services, for a term not to exceed three years with the option to extend the term for an additional two years (continuing the fixed-fee of \$48,000 per fiscal year audit). As noted in the March 10, 2011 staff report to the Board, this contract represents an 11 percent savings over the previous auditor contract.

VTD has completed three fiscal year audits for the TJPA and would begin work on the Fiscal Year 2014 audit in April, following approval of this amendment. The option years were priced in the original agreement, and extending the contract for two fiscal years will increase the compensation by \$96,000, for a total maximum compensation of \$240,000 for Basic Services. All other provisions of the agreement will remain the same. Thus far VTD has not billed for Additional Services, although it is anticipated that they will provide semi-annual audit-level reports on the land sales trust account transactions per the requirements of the Cooperative Agreement with Caltrans.

VTD's services have been satisfactory; audits are performed in accordance with all applicable Generally Accepted Auditing Standards and the federally-required Single Audit is conducted per the applicable federal circular. VTD is peer-reviewed and the Department of Transportation Office of the Inspector General has also conducted Quality Control Reviews of VTD's work; in both instances VTD's work has been found acceptable. VTD is also meeting the 10 percent SBE goal placed on the contract at the time of award. TJPA financial staff thus recommends that VTD continue to provide independent auditing services through the Fiscal Year 2015 audit, after which a request for proposals for future auditing services will be issued.

RECOMMENDATION:

Staff recommends that the Board authorize the Executive Director to execute Amendment No. 1 to the agreement with Vavrinek, Trine, Day & Co., LLP, exercising the option to extend the term of the agreement for two years and increase the total compensation by the option price of \$96,000.

ENCLOSURES:

1. Resolution
2. Amendment No. 1 to Agreement

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On March 10, 2011, in Resolution No. 11-004, the Transbay Joint Powers Authority (TJPA) Board of Directors resolved to authorize the Executive Director to execute a professional services agreement with Vavrinek, Trine, Day & Co., LLP, for independent auditing services for a three-year term and a maximum compensation of \$144,000 for Basic Services, and an amount not to exceed \$25,000 for Additional Services, with the option to extend the agreement for two years and accordingly increase the maximum compensation by the option price in the agreement; and

WHEREAS, Vavrinek, Trine, Day & Co., LLP has completed three fiscal year audits for the TJPA and would begin working with the TJPA on the Fiscal Year 2014 audit this coming April; and

WHEREAS, The TJPA Chief Financial Officer and staff desire to extend the term and compensation of the agreement for an additional two fiscal year audits at a cost of \$96,000 for Basic Services; and

WHEREAS, Such change to the term and compensation requires an amendment to the agreement, but does not change the scope or deliverables under the agreement; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute Amendment No. 1 to the agreement for independent auditing services with Vavrinek, Trine, Day & Co., LLP, to modify the Agreement to extend the term for an additional two years and increase the maximum compensation by the option price of \$96,000 for a total maximum compensation of \$240,000 for Basic Services.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of February 13, 2014.

Secretary, Transbay Joint Powers Authority

Amendment No. 01
Professional Services Agreement between
the Transbay Joint Powers Authority and Vavrinek, Trine, Day & Co., LLP

THIS Amendment No. 1 to the Professional Services Agreement to furnish independent auditing services dated March 10, 2011 (“Agreement”) is entered into as of the _____ day of February, 2014 in San Francisco, California, by and between **Vavrinek, Trine, Day & Co., LLP** (“Contractor”), and the **Transbay Joint Powers Authority** (“TJPA”).

The Agreement is for a three-year term and a maximum compensation of \$144,000 for Basic Services and a not to exceed amount of \$25,000 for Additional Services, with an option to extend the term for an additional two years for an additional \$96,000 for Basic Services. The TJPA and Contractor hereby agree to extend the term of the Agreement for two (2) additional years, and to amend the maximum compensation amount of the Agreement under this extension to \$240,000 for Basic Services. This Amendment No. 1 does not change the scope or deliverables under the Agreement and does not change the maximum compensation of \$25,000 for Additional Services. In particular, the parties make the following two amendments to the Agreement:

The TJPA and Contractor agree to amend Section 2 and Section 5 of the Agreement in their entirety to read as follows:

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall not exceed five (5) years from the Effective Date of the Agreement of March 18, 2011.

5. Compensation. All work under this Agreement shall be compensated on a fixed-fee basis, subject to any maximum price set forth in a particular NTP. In no event shall the total compensation for all of the Contractor’s Basic Services under this Agreement exceed Two Hundred Forty Thousand Dollars (\$240,000). The breakdown of the Contractor’s fees appears in Appendix B, “Fees”.

As defined in Section 4 above and Appendix A, Additional Services are services not specified or required under the Agreement as Basic Services. The TJPA shall not compensate the Contractor for Additional Services unless such services are authorized in writing prior to performance by the Contractor. Aggregate billings for Additional Services shall not exceed Twenty-Five Thousand Dollars (\$25,000). Unless otherwise agreed in writing by the TJPA and the Contractor, the TJPA shall compensate the Contractor for Additional Services at the rates set forth in Appendix B. Hourly rates for services are to remain fixed during the entire contract period, except for reasonable cost of living increases.

No charges shall be incurred under this Agreement nor shall any payments become due to the Contractor until the Services required under this Agreement are received from Contractor and approved by the Executive Director as being in accordance with this Agreement. The TJPA may withhold payment to the Contractor in any instance in which the Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall the TJPA be liable for interest or late charges for any late payments.

All other provisions of the Agreement shall remain in full force and effect.

**TRANSBAY JOINT POWERS
AUTHORITY**

CONTRACTOR
Vavrinek, Trine, Day & Co., LLP

Maria Ayerdi-Kaplan
Executive Director

Signature

Printed Name