NOTICE INVITING PROPOSALS FOR AUDIT SERVICES

February 27, 2015

The Tahoe Regional Planning Agency (Agency) is requesting proposals from qualified Certified Public Accounting Firms to audit its financial statements. The TRPA’s basic financial statements will include governmental activities for the years ended June 30, 2015, 2016, and 2017, with the option of two one-year contract extensions as further discussed below. In addition, the required Single Audit of Report on Federal Awards and limited Transportation Development Act (TDA) financial audits are also requested for Placer and El Dorado County Local Transportation Funds, El Dorado County State Transit Assistance Fund, and Prop 1B funds. Auditor will also file the California State Controller’s Office report for the Agency. These audits are to be performed in accordance with government auditing standards generally accepted in the United States of America. In addition, a compliance audit in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organization must be conducted. All TDA financial audits must be done in compliance with the requirements of Section 99245 of the California Public Utilities Code and Section 6664 of Title 21 of the California Code of Regulations.

There is no expressed or implied obligation for the Agency to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection. Any language purporting to render the entire proposal confidential or proprietary will be ineffective and will be disregarded.

During the evaluation process the Agency reserves the right — where it may service the Agency’s best interest — to request additional information or clarifications from the proposers. At the discretion of the Agency, proposers may be asked to participate in interviews as part of the evaluation process.

The Agency reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Agency and the firm selected.

Qualified organizations are invited to submit an electronic proposal as described in Item C, Contents of Proposal, listed under Proposal Requirements section of this RFP. Deadlines and contact information is outlined in Item A, Delivery of Proposal. Proposals will be reviewed, and the firm best meeting the Agency's needs will be considered. Thank you for your interest.

Sincerely,

Chris Keillor, Finance Director
REQUEST FOR PROPOSALS (RFP) FOR AUDIT SERVICES
FOR THE TAHOE REGIONAL PLANNING AGENCY

Introduction

The Tahoe Regional Planning Agency (the Agency or TRPA) is seeking services of a Certified Public Accounting firm (Auditors) to conduct audits for the purpose of forming opinions on the fair presentation of the general purpose financial statements for the Agency in conformity with government generally accepted accounting principles.

The Auditors will also provide an “in-relation-to” report on the combining and individual fund financial statements and supporting schedules and the Schedule of Federal Financial Assistance, based on the auditing procedures applied during the audit of the general purpose financial statements. The report must satisfy all requirements of the Federal Single Audit Act.

Agency Background

Established in 1969, by a Federally sponsored, interstate compact between California and Nevada, the Agency is authorized under California law (California Government Code sections 66800 through 66801), Nevada law (NRS 277.190 through 227.200), and Federal law (PL 96-551).

TRPA is located on the border of the states of California and Nevada, between the Sierra Crest and the Carson Range. Approximately two-thirds of the region is located in California, with one-third within the State of Nevada. The Tahoe Region contains an area of about 501 square miles, of which approximately 191 square miles comprise the surface waters of Lake Tahoe. Overlapping jurisdictions in California include the City of South Lake Tahoe, El Dorado County and Placer County. Overlapping jurisdictions in Nevada include Washoe County, Douglas County and Carson City. Tourism is the economic heartbeat of the region and visitors to the area far outnumber the resident population of just over 50,000 people.

The mission of the TRPA is to “lead the cooperative effort to preserve, restore, and enhance the unique, natural, and human environment of the Lake Tahoe Region.” The Agency is the leading partner for plans and actions to preserve the environment of the Tahoe region. The Agency establishes transportation and land use policy. It works with local, regional, state, and Federal organizations and governments to facilitate a cooperative approach in implementing these plans and programs.

In addition, the Agency is recognized as the Regional Transportation Planning Agency (RTPA) in California. As the RTPA, the Agency is charged with the allocation of California state transit funding. The Agency is also the federally designated Metropolitan Planning Organization (MPO) given the responsibility for transportation planning and financial programming of federal transportation funds. TRPA is governed by a 15-member Board. California and Nevada each have seven members comprised of elected officials and governmental appointees. In addition, a non-voting member is appointed by the President of the United States of America. Further information can be obtained at the Agency’s website at www.trpa.org.
Term of Engagement

It is the intent of the Agency to contract for services presented herein for a term of three (3) audit fiscal years, ending June 30, 2015, 2016 and 2017. The Agency reserves the right to extend the term of this contract for up to two one-year terms subject to the annual review of the Agency, the satisfactory negotiation of terms (including a price acceptable to both the Agency and the selected firm), and the annual availability of an appropriation.

Budget

The TRPA budget totals more than $16 million and is comprised of general and special revenues. As shown in the following table, nearly forty seven percent (47%) of the Agency operations are devoted to special programs. Twenty-nine percent (29%) of the Agency’s annual revenue comes from direct State contributions – typically shared on a 67% California; 33% Nevada basis – derived from the rough proportion of the region lying in each State. Other funding sources include user fees, fines and forfeitures, investment earnings, and Federal, California and Nevada grant funding.

TRPA Financial Summary – 2013/14 Revenues:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$5.7M</td>
</tr>
<tr>
<td>Fees</td>
<td>$3.4M</td>
</tr>
<tr>
<td>Special Funds</td>
<td>$10.3M</td>
</tr>
<tr>
<td>Total TRPA</td>
<td>$19.4M</td>
</tr>
</tbody>
</table>

Agency staffing and operation costs have changed substantially over the past several years as available funding has changed. TRPA is transitioning from strictly a controlling/permitting Agency, to a facilitative Agency. This change is contributing to an expanded role, which is the focus of annual Presidential Forums held at Lake Tahoe since 1997.

The Agency is organized into twenty one (21) individual Governmental Funds. Four (4) are major funds, sixteen (16) are non-major Special Revenue Funds, and one (1) non-major Capital Projects Fund, which hare appropriated annually with incomplete capital budget appropriations, carried over to the following fiscal year.

Federal, state and local grant funding include the following agencies:

- United States Bureau of Reclamation
- United States Environmental Protection Agency
- United States Geological Service
- United States Fish and Wildlife Service
- USDA Forest Service
- Nevada Department of Transportation
- Federal Highway Administration
- California Environmental Protection Agency
- California Tahoe Conservancy
- CalTrans
- California Department of Parks and Recreation
- California Office of Emergency Services
- Nevada Division of Environmental Protection
• Nevada Division of State Lands
• Tahoe Resource Conservation District
• State Water Resources Control Board (California)
• California Department of Water Resources
• Nevada Division of Forestry
• Lahontan Regional Water Quality Control Board
• Sustainable Growth Council

Outstanding Debt

By compact, the Agency is precluded from owning real property – except for facilities to house the Agency and the land related thereto.

In 2007, the Agency issued revenue bonds to finance the purchase of its headquarter building at 128 Market Street, Stateline, Nevada. The building is primarily occupied by the Agency, but also leases unused space to various tenants.

Capital leases are also outstanding for Xerox machines, a patrol boat, and SAN server equipment.

Pension Plan

The Agency sponsors a Money Purchase Plan as a Social Security Replacement plan and a section 457(b) Deferred Compensation Plan, both administered by DailyAccess.Com, Inc. Participants in the Plans are employees of the Agency. The TRPA contribute 8% of employee salary to the MPP, and employees may voluntarily contribute to the 457(b) plan up to annual limits set by the IRS. Both plans operate as defined contribution plans.

Investments

The Agency maintains demand deposit accounts with Wells Fargo Bank. The Agency also has investment accounts with Wells Fargo Capital Management, the California Treasurer’s Office Local Agency Investment Fund (LAIF) and the Nevada Treasurer’s Office Local Government Investment Plan (LGIP). The Agency’s $18 million investment portfolio is comprised of mostly Agency trust funds.

Computer System

The Agency’s accounting functions are computerized using Springbrook Accounting software, hosted by the vendor. The applications operating on this system are general ledger, project management, purchase orders, cash receipting, accounts receivable, and accounts payable. Other software in use are Datamatics Timecard for computerized time tracking and Accela for residential and commercial permitting. Accela is used to track permitting revenues, requiring reconciliation with Springbrook. Budget development is done externally in Excel and is uploaded into the Agency’s financial system. Payroll is done using ADP with an interface from Datamatics.

The Agency computing network also provides general computing services to staff, Agency-wide connectivity, email capability and access to the Tahoe Environmental Geographic Information System.
Availability of Prior Reports and Work Papers

The Agency's most recent audit was conducted by Mayer Hoffman McCann P.C. of Irving, California. The work papers of the previous audits are the property of the previous auditor and may be reviewed by the successful proposer only upon permission by the previous auditors. The most recent audited financial statements are attachments to this RFP.

Proposal Requirements

A. Delivery of Proposals

Completed proposals must be submitted electronically to Marja Ambler at mambler@trpa.org no later than 11:59pm, Pacific Time on March 27, 2015. Late responses will not be considered.

If desired, a hard copy proposal may be submitted in addition to the required emailed copy; however, hard copy proposals are discouraged to save natural resources. No extra points will be given for hard copy proposals. If something can be gained by submitting a hard copy, please send it to: TRPA, Attention Chris Keillor, 128 Market Street, PO Box 5310, Stateline, Nevada 89448. All hard copy submittals must be clearly marked on the outside of the envelope: “DO NOT OPEN – Response to TRPA Audit RFP.” Hard copy proposals must be post marked by the same due date listed above. All information regarding cost in dollars must be submitted separately from the proposal.

B. Format of Proposals

All proposals must be in PDF format and shall be submitted via email with the subject stating “Audit RFP 2015.” Proposals must be submitted in two separate documents as described below. Dollar amounts should not show up in the proposal at all, but are required to be submitted as a separate attachment. Maximum length of each section is outlined below. The proposal should clearly outline the firm’s experience in an efficient manner.

1. Proposal:
   a. Title Page – including contact information, 1 page.
   b. Letter of Transmittal or Cover Letter, 2 pages.
   c. Table of Contents, 1 page.
   d. Proposal – as described below in Item C. The proposal should be no more than 60 pages.

2. Bid:
   a. A description of total hours and total fee for each of the 3 years, plus 2 optional years showing line items for major scope of work task.
   b. Total hours and total fee for completing the TDA audits (El Dorado LTF, El Dorado STA, and Placer County LTF) and the Prop 1B audit should be stated separately from the TRPA Financial
Statements as major tasks. For example:

1) Audit and Preparation of TRPA Financial Statements and Single Audit

2) El Dorado LTF, El Dorado STA, Placer County LTF Audits

3) Prop 1B Audit

C. Contents of Proposal

The Proposer shall include in its proposal, at a minimum, the following information presented in a clear and concise format, in order to demonstrate the Proposer's competence and professional qualifications:

1. A list of no more than six recent projects for which the Proposer has performed services of similar size, scope, and complexity. This list shall include the name, contact person, address, and phone number of each party for whom the service was provided, as well as a description of the services performed, the dollar amount of the contract, and the performance date.

2. A list of the Proposer's principals, employees, agents, and sub-consultants, which the Proposer anticipates assigning to this Project. This list shall include a summary of the qualifications, licenses, and experience of each individual; the approximate number of hours each individual or position will devote to the Project; and the type of work to be performed by each individual. The Agency will retain under its agreement with the successful Proposer, the approval rights for all persons performing services under the audit services agreement.

3. A Scope of Work with a detailed description of the methods by which the Proposer intends to perform the requested services. The description shall include, at a minimum, the following items:

   a. A work plan and schedule for all services necessary. The proposal should specify the major components and the expected time of completion for each component based on the scope of work outlined in the proposal. A statement differentiating how many hours will be assigned to the partner level, manager level, and staff level should also be included in the proposal. This information should be submitted as part of the proposal without dollar amounts.

      i. In an attachment separate from the proposal, as outlined in Item B.2 above, please provide the cost breakdown by major component or phase.

      ii. The separate attachment should provide an all-inclusive proposed “Not to Exceed” costs for the services, or other method of determining costs of services, including a Fee Schedule describing all charges and hourly rates for services.

   b. Proposed terms for an agreement by which the work shall be performed. The Agency's Standard TRPA Two-Party Contract is available online at http://www.trpa.org/document/rfps/. The Proposer should specifically indicate,
c. A copy of the most recent firm peer review.

d. A statement which discloses any past ongoing or potential conflicts of interest which the Proposer may have as a result of performing the work for this Proposal.

e. The bidder must certify to the best of its knowledge and belief that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency.

f. A copy of an insurance certificate or a letter of intent to provide insurance from the issuing company (including a description of types of coverage and dollar amount limits) may be favorably considered. Insurance requirements are listed in Section II #10 of the Standard TRPA Two-Party Contract available at http://www.trpa.org/document/rfps/.

g. An authorized representative of the Proposer must sign the proposal.

D. Time Requirements

1. Key Dates for Proposal Evaluation and Selection:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP issued</td>
<td>2/27/15</td>
</tr>
<tr>
<td>Due Date for Proposals</td>
<td>3/27/15</td>
</tr>
<tr>
<td>Potential Interviews with Finalists</td>
<td>4/8/15</td>
</tr>
<tr>
<td>Selected firm notified</td>
<td>4/15/15</td>
</tr>
<tr>
<td>Contract date</td>
<td>4/30/15</td>
</tr>
</tbody>
</table>

2. Tentative Schedule for the 2015 Fiscal Year Audit:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Kick Off Conference Call</td>
<td>May 2015</td>
</tr>
<tr>
<td>Preliminary Field Work</td>
<td>Typically June or early July; 2015 dates should fall between 6/1-6/19 or 7/20-7/31</td>
</tr>
<tr>
<td>Fiscal Year End</td>
<td>6/30/15</td>
</tr>
<tr>
<td>Agency year end close cutoff</td>
<td>9/18/15</td>
</tr>
<tr>
<td>Trial Balance to Auditors</td>
<td>10/5/15</td>
</tr>
<tr>
<td>Final Field work</td>
<td>October</td>
</tr>
<tr>
<td>Exit conference</td>
<td>10/15/15</td>
</tr>
<tr>
<td>Draft reports</td>
<td>11/15/15</td>
</tr>
<tr>
<td>Final reports</td>
<td>11/20/15</td>
</tr>
<tr>
<td>Presentation to Governing Board</td>
<td>12/16/15</td>
</tr>
</tbody>
</table>

3. List of financial statement audits required:
   - Tahoe Regional Planning Agency
   - Agency Wide Financial Statements
• Single Audit of Federal Awards
• California State Controller’s Office Report
• El Dorado County State Transit Assistance Fund
• El Dorado County Local Transportation Fund
• Placer County Local Transportation Fund
• California Prop 1B Audit

4. TRPA Operations Committee/Governing Board attendance each year. The tentative date to present the Fiscal Year 2015 audit is December 16, 2015.

E. Assistance to be Provided to the Auditors and Report Preparation

1. Finance Department and Clerical Assistance: The Finance Department staff and responsible management personnel will be available during the audit to assist the Auditor by providing direction to sources of information, documentation, and explanation. Chris Keillor, Finance Director, will be responsible for acting as the liaison between the audit firm and the accounting personnel. The Auditor will prepare the confirmation letters for execution by the Agency.

2. Statements and Schedules to be Prepared by Agency Staff: Agency staff will provide limited audit assistance as is reasonably possible and appropriate. Agency Finance staff will prepare most of the “Prepared by Client” schedules. The list of schedules required by the Auditors shall be provided to the Agency no later than 45 days prior to Preliminary and Final fieldwork, or such other mutually agreed upon date.

3. Work Area and Equipment: The Agency will provide the Auditors with reasonable workspace, desks, and chairs. The Auditors will also be provided access to internet, photocopying, scanning and fax machines for Agency related use.


F. Reports to be Issued

Following the completion of the audit of the fiscal year’s financial statements, the Auditors shall issue:

1. Preparation of the financial statements and audit opinions on the fair presentation of the financial statements in conformity with generally accepted accounting principles. See attached copies of the most recent reports. Approximately 25 bound hard copy reports of each audit will be requested.

• Tahoe Regional Planning Agency
• SAS 114 Letter
• SAS 115 Letter
• El Dorado County Local Transportation Fund
• El Dorado County State Transit Assistance Fund
• Placer County Local Transportation Fund
2. A summary of findings and questioned costs (Single Audit).

3. A schedule of findings and questioned costs (Single Audit).


5. An “in-relation-to” report on the combining and individual fund and account group financial statements and supporting schedules.

6. A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

7. A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.

8. In the required reports on internal controls, the Auditors shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

9. Reportable conditions that are also material weaknesses shall be identified as such in the report.

10. Non-reportable conditions discovered by the Auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

11. Submissions to the Federal Audit Clearinghouse.


13. The Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of to the following parties:

   a. Joanne Marchetta, Executive Director
   b. John Marshall, Agency Counsel
   c. Chris Keillor, Finance Director
   d. Chair, TRPA Governing Board
G. Reporting to the Finance Director

Auditors shall assure themselves that the Finance Director is informed of each of the following:

1. The Auditors responsibility under generally accepted auditing standards.
2. Significant accounting policies and new accounting pronouncements.
4. Significant audit adjustments.
5. Disagreements with management.
6. Consultation with other accountants.
7. Difficulties encountered in performing the audit.


All working papers and reports must be retained, at the Auditors expense, for a minimum of five (5) years, unless the firm is notified in writing by the Agency of the need to extend the retention period. The Auditors will be required to make working papers available, upon request, to the following parties or their designees:

1. Tahoe Regional Planning Agency
2. U.S. General Accounting Office (GAO)
3. Parties designated by the federal or state governments or by the Agency as part of an audit quality review process
4. Auditors of TRPA of which the Agency is a sub-recipient of grant funds
5. In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

I. Interpretations of the RFP

If the Proposer is in doubt as to the meaning of any part of the RFP, or finds discrepancies or omissions in the RFP, the Proposer shall submit to the Agency a written request for an interpretation or clarification prior to the deadline for the receiving the proposals. All such requests must be sent via email to Chris Keillor, Finance Director at: ckeillor@trpa.org. The Proposer shall be responsible for the prompt delivery of the request. Answers to all requests for interpretation or clarification will be emailed to all responders and posted to the Request for Proposals section of the Agency’s website http://www.trpa.org/document/rfps/ . No oral interpretations of any provision in the Request for Proposals shall be binding upon the Agency.
J. Review of Proposals

After the deadline date the Agency shall review and evaluate all proposals for responsiveness to the RFP in order to determine whether the Proposer possesses the professional qualifications necessary for the satisfactory performance of the services required. The Agency shall also investigate qualifications of all Proposers to whom the award is contemplated, and the Agency may request clarifications of proposals directly from one or more Proposers. In reviewing the proposals, the Agency may consider the following:

1. The experience and past performance of the Proposer and its agents, employees, and sub-consultants in completing projects of a similar type, size, and complexity.

2. The Agency may consider Proposer's timely and accurate completion of similar projects within budget.

3. The specific recent experience of the Proposer and its agents, employees, and sub-consultants in auditing governmental entities and especially transportation entities.

4. The feasibility of the proposal based upon the performance and cost schedules, and the methodology to be used by the Proposer.

5. Proposer’s understanding of the work to be completed based upon the clarity of the proposal and responsiveness to this RFP.

6. Proposer’s proposed language for the Professional Services Agreement.

7. TRPA makes a good faith effort to contract with small, minority, and women owned business enterprises. Accordingly, the TRPA strongly encourages small, minority, and women owned businesses to reply to this RFP.

K. Award of Agreement

Upon completion of the review period, the Agency shall notify those Proposers whose proposals will be considered for further evaluation and negotiation. All notified Proposers may be required to make presentations and negotiate in good faith in accordance with direction from the Agency. Any delay caused by Proposer's failure to respond to direction from the Agency may lead to a rejection of the Proposal.

If the Agency determines, after further evaluation and negotiation, to award the Agreement, the Standard TRPA Two-Party Contract Agreement shall be sent to the successful Proposer for the Proposer's signature. No proposal shall be binding upon the Agency until after the Agreement is signed by duly authorized representatives of both the Auditor and the Agency.

The Agency reserves the right to reject any or all proposals, and to waive any irregularity. The award of the Agreement, if made by the Agency, will be based upon a total review and analysis of each proposal and projected costs.