

REQUEST FOR PROPOSALS

Professional Auditing Services

**Sonoma County Transportation Authority
Citizens Advisory Committee**
520 Mendocino Avenue, Suite 240
Santa Rosa, CA 95401
(707) 565-5373

Key Dates:

Issued: June 13, 2006
Proposals Due: July 7, 2006
Interview Date: July 18, 2006

SONOMA COUNTY TRANSPORTATION AUTHORITY

REQUEST FOR PROPOSALS

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I. INTRODUCTION

A. General Information

The Sonoma County Transportation Authority (hereinafter referred to as the "Authority" or "SCTA") is soliciting proposals from qualified auditors to perform an audit of Measure M financial statements and also a compliance audit on Measure M for 15 months ending June 30, 2006 and four subsequent fiscal years. These audits are to be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the provisions of the federal Single Audit Act of 1984, and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations.

An Audit Committee selected by the Authority will evaluate proposals submitted. Negotiations may or may not be conducted with respondents; therefore, the proposal submitted should contain the respondent's most favorable terms and conditions, since the selection and award may be made without discussion to any respondent.

It is the intent of the Authority to award a contract to the best-qualified firm that demonstrates experience in performing financial and compliance audits. During the evaluation process, the Audit Committee reserves the right, where it may serve the Authority's best interest, to request additional information or clarifications from proposing firms, or to allow corrections of errors or omissions.

The Authority also reserves the right to reject any or all of the proposals, to investigate the qualifications of all firms under consideration, to confirm any part of the information furnished by a respondent, or to obtain additional evidence of managerial, financial or other capabilities, which are considered necessary for successful performance under the contract.

The Authority reserves the right to retain all proposals submitted and to use any idea in a proposal regardless of whether that proposal is selected. Submission of proposal indicates acceptance by the firm of the conditions contained in this request for proposals (RFP), including Exhibits and Agreement for Services, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Authority and the firm selected.

B. Term of Engagement

A five-year contract is contemplated, subject to the annual review, fee negotiation and recommendation of the Audit Committee, with the concurrence of the Authority's Board and the annual availability of an appropriation.

C. Eligibility Requirements

This RFP is open to any firm that provides audit services that complies with all conditions identified within this RFP and certifies in its cover letter that it meets the following conditions:

1. Is qualified to operate as an auditor in the State of California.
2. Is not in litigation adverse to SCTA or its member jurisdictions or in other litigation that may

have a significant and adverse impact on the ability to perform services for SCTA.

3. Does not represent clients in litigation adverse to SCTA or its member jurisdictions or in other litigation that may have a significant and adverse impact on the ability to perform services for SCTA.
4. Has a minimum of five (5) years experience in audit services, including compliance and financial audits of public entities and publicly funding programs.
5. Has the resources and commitment to complete all components of the audit in a timely manner, including but not limited to, attending audit committee meetings, advising staff on matters specific to the financial and compliance audit, providing findings to the audit committee and developing a final audit report by November 30, 2006. It is estimated there will need to be 2 meetings with the Audit Committee and 2 public meetings with the full Citizens Advisory Committee and the SCTA Board of Directors.
6. SCTA requires that the professional who signs the proposal as the manager of the professional contract with SCTA, shall certify that he or she will be present at all meetings requested by SCTA staff members and will fully participate in the day-to-day management of the contract.

II. NATURE OF SERVICES REQUIRED

A. General

The Authority is soliciting the services of a qualified auditor to perform a financial and compliance audit on Measure M for the fiscal year ending June 30, 2006 and the three months of revenues generated in FY04/05, with the option to audit the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The Authority desires the auditor to express an opinion on the fair presentation of its Measure M funds in conformity with generally accepted accounting principles. Also conduct a compliance audit on the provisions of Measure M. **Exhibit A** provides compliance items to be audited.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the provisions of the Single Audit Act of 1984 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations.

D. Reports to be Issued

Following the completion of the Financial and Compliance audit of the fiscal year's financial statements, the auditor shall issue by November 30 following the fiscal year end:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles as it pertains to Measure M.
2. A report on Measure M compliance.
3. A report on the internal control structure used in administering federal financial assistance programs (If applicable)

In the required report, the auditor 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. In addition, the following conditions shall be considered reportable:

1. The report on compliance shall include all material instances of non-compliance in regard to Measure M. Instances of non-compliance shall be reported in a separate management letter.
2. Irregularities and illegal acts. 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 Audit Committee and the Authority's Board.

E. Auditor Experience

The auditor(s) shall have experience in performing financial and compliance audits of Authority or similar entities. Include in your response to this RFP your audit team's direct experience and identify key personnel assigned to the project. This information should include the project manager and his/her direct experience with financial and compliance audits in the public sector.

Please include three references with current contact name, phone number and email address from clients for whom you have performed similar services.

F. Working Paper Retention and Access to Working Papers

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

- Sonoma County Transportation Authority
- Parties designated by the federal or state governments or by the Authority as part of an audit quality review process

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.

G. Cost Proposal

The cost of for the first year of service to be performed shall be submitted to the SCTA as part

of the proposal. The SCTA requires a fixed fee proposal for the work to be completed.

As set forth in the Standard Agreement for services both parties agree the Authority may retain up to 10% of the annual contract amount until all reports are presented to the Authority in final form and accepted by the Authority. It is further understood, if the above deadlines for reports are not met by the Auditor, the Authority may deduct 5% from the annual fee due the Auditor unless deadlines are extended, in writing, by the Authority.

The SCTA standard agreement for services is attached as **Exhibit B**.

III. DESCRIPTION OF THE GOVERNMENT AND INSTRUCTIONS FOR OFFERORS

A. Contact Information/Location of Offices/Organizational Chart

Auditor's principal contact with the Authority will be Suzanne Wilford, or a designated representative, who will coordinate the assistance to be provided by the Authority to the auditor. Suzanne Wilford can be reached at 707-565-5373.

The Authority office is located at:

520 Mendocino Avenue, Suite 240
Santa Rosa, CA 95401
Phone: 707-565-5373
FAX: 707-565-5371
E-Mail: swilford@sctainfo.org

An Authority Organization Chart is attached as **Exhibit C**.

B. Background Information

The Authority was established via Ordinance No. 1 in 1990, pursuant to the provisions of the California Public Utilities Code (Section 180105), which prescribes the powers and duties of the officers of the Authority and the methods and systems required to operate and manage the agency. The Authority operates on a fiscal year that begins July 1 and ends June 30.

A Board of Directors comprised of representatives from the Sonoma County Board of Supervisors and each of the nine city councils within the county governs the SCTA. The SCTA performs several important functions in the local and regional transportation arenas such as: long term transportation planning; programming regional, state and federal funding; managing the development of major capital project such as Highway 101; and overseeing the implementation of a quarter-cent sales tax measure for transportation projects.

Voters in Sonoma County passed the Measure M sales tax in November 2004 and collection of the tax began April 1, 2005. A strategic plan outlining how the tax will be implemented was adopted in April 2005 and included requirements related to audits. The Strategic Plan and other reports can be found at the SCTA web site: www.sctainfo.org

C. Examination Of Proposal Documents

By submitting a proposal, Offeror represents that it has thoroughly examined and become familiar with the work required under this RFP and that it is capable of performing quality work to achieve the Authority's scope of work as set forth in **Exhibit A**.

F. Addenda

Any Authority changes to the requirements will be made by written addendum to this RFP. Any written addenda issued pertaining to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. The Authority will not be bound to any modifications to or deviations from the requirements set forth in this RFP as the result of oral instructions.

E. Submission Of Proposals

1. Date, Time and Length

Proposals must be submitted at or before 2:00 p.m. on July 7, 2006. Proposals should not exceed 15 pages, excluding resumes and cover letter. Proposals received after the above-specified date and time will be returned unopened.

2. Address

Proposals delivered by mail or in person shall be submitted to the following:

**Sonoma County Transportation Authority
520 Mendocino Avenue, Suite 240
Santa Rosa, California 95401
Attention: Marge Franco, Executive Assistant**

3. Identification of Proposals

Offeror shall submit an **original and eight (8) copies** of its proposal in a sealed package, addressed as shown above, bearing the Offeror's name and address and clearly marked as follows:

"RFP: MEASURE M AUDIT SERVICES"

4. Acceptance of Proposals

The Authority reserves the right to:

- a. Accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in proposals or in the selection process;
- b. Request additional information of Offerors at its discretion;
- c. Withdraw this RFP at any time without prior notice and the Authority makes no representations that any contract will be awarded to any Offeror responding to this RFP;
- d. The Authority reserves the right to postpone proposal openings for its own convenience.

5. Confidentiality of Proposals

Proposals received shall remain confidential until the contract, if any, resulting from this RFP is awarded. Thereafter, all information submitted in response to this request shall be deemed a public record. In the event that the Offeror desires to claim portions of its proposal as exempt from disclosure, it is incumbent on the Offeror to clearly identify those portions with the word "confidential" printed on the lower right-hand corner of the page. SCTA will consider a Offeror's request for exemption from disclosure; however, SCTA will make its decision based on applicable laws. An assertion by the Offeror that the entire proposal is exempt from disclosure will not be honored.

F. Pre-Contractual Expenses

Pre-contractual expenses are defined as expenses incurred by Offeror in:

1. Preparing its proposal in response to this RFP;
2. Submitting that proposal to the Authority;
3. Negotiating with the Authority any matter related to this proposal; or
4. Any other expenses incurred by Offeror prior to date of award, if any, of the Agreement.

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

G. Insurance And Agreement Provisions

The Offeror must satisfy the insurance requirements of the proposed Agreement for Consulting Services. Please return the Insurance Questionnaire (**Exhibit D**) with the proposal.

The successful Offeror will be required to adhere to the provisions, terms, and conditions of the attached Standard Agreement for Consulting Services (**Exhibit B**). Objections to any provisions must be identified in the proposal. No response will signify that the agreement is acceptable as written.

IV. EVALUATION AND AWARD

A. Evaluation Criteria

The Authority will evaluate the offers received based on the following criteria:

- | | |
|------------------------------|-----|
| 1. Firm/Personnel experience | 50% |
| 2. Ability to meet schedule | 25% |
| 3. Fee Proposal | 25% |

B. Evaluation Procedure

The Audit Committee will review all proposals received. The committee will be comprised of Citizen Advisory Committee members. The committee members will read the proposals separately then convene to discuss and review the written proposals. Each member of the selection panel will then evaluate each proposal using the criteria identified above to arrive at a "proposal score" for each proposal. A list of top ranked proposals will be developed based upon the totals of each committee member's score for each proposal.

During the evaluation period, the Authority may interview some or all of the proposing firms. The Authority has established July 18, 2006, to conduct interviews. All prospective Offerors will be asked to keep this date available. No other interview dates will be provided; therefore, if an Offeror is unable to attend the interview on this date its proposal may be eliminated from further discussion. The interview may consist of a short presentation by the Offeror after which the evaluation committee will ask questions related to the firm's proposal and qualifications. The committee will use pre-established criteria during the interview process to score and make their final recommendation.

If an interview process is conducted, the final compilation on which firms will be ranked, are weighted as follows: Proposal phase 80%; Interview phase 20%.

C. Award

Acceptance of a proposal or other material during the selection process does not constitute a contract and does not obligate the SCTA to award funds. Funding is subject to final contract approval by the SCTA Board of Directors. SCTA reserves the right to reject any and all responses without penalty and to act in the best interest of the SCTA.

The Audit Committee will evaluate the proposals received and will submit the proposal considered to be the highest ranked to the full Citizens Advisory Committee and the Authority's Board of Directors for approval. The Authority may also negotiate contract terms with the selected Offeror prior to award, and expressly reserves the right to negotiate with several Offerors simultaneously and, thereafter, to award a contract to the Offeror offering the most favorable terms to the Authority.

Negotiations may or may not be conducted with Offerors; therefore, the proposal submitted should contain Offeror's most favorable terms and conditions, since the selection and award may be made without discussion with any Offeror.

D. Notification Of Award

Offerors who submit proposals in response to this RFP shall be notified by email regarding the firm who was awarded the contract. Such notification will be made within three (3) days of the date the contract is awarded.

Exhibit A

Sonoma County Transportation Authority – Measure M Compliance Audit – Proposed Scope of Work

Scope: The Authority is soliciting the services of a qualified auditor to perform a financial and compliance audit on Measure M for the fiscal year ending June 30, 2006 and the three months of revenues generated in FY04/05, with the option to audit the four subsequent fiscal years.

Objective: To ensure compliance of Measure M transactions with the “2005 Measure M Strategic Plan.”

Procedures: Measure M administration:

- Verify total administration costs do not exceed one percent (1%) of the revenue (based upon actual tax proceeds).
- Verify no costs associated with issuance of bonds have been allocated to administration.

Road maintenance:

- Appropriations:
 - Verify appropriations are made during the third quarter of each fiscal year.
 - Verify each jurisdiction received, no later than February 1, an estimate of following fiscal year appropriations.
 - Beginning in FY 08/09, verify jurisdiction has no funds that have been held for more than three years.
 - Verify distribution based on 50% road miles and 50% population formula as calculated for each jurisdiction.
 - Verify basis for formula is current and correct.
 - Verify formula calculation is correct.
- Jurisdiction reports:
 - Verify each jurisdiction has filed an expenditure report by September 15 of the following fiscal year.
 - Verify report contains the required elements:
 - Full accounting of Measure M funds including interest,
 - Description of completed projects, and
 - Public information requirements as set forth in Appendices 2h and 4.
- Expenses:
 - Verify expenditures are for fixing and maintaining existing roads and other eligible expenditures.

Bus Transit:

- Verify existence of cooperative funding agreement prior to first appropriation.
- Verify funding allocated quarterly to the various transit operators.
- Transit operator reports:
 - Verify each jurisdiction has filed an expenditure report by September 15 of the following fiscal year.
 - Verify report contains the required elements:
 - Full accounting of Measure M funds including interest,
 - Description of completed projects, and
 - Public information requirements as set forth in Appendices 2h and 4 of

the 2005 Measure M Strategic Plan.

Specific Projects (Highway 101, SMART, Local Road Projects and Bicycle Projects):

- Project evaluation:
 - Verify completion of “Project Information Sheet” by project sponsor.
 - Verify project funding requests were prioritized based upon:
 - Project readiness by phase and
 - Available matching funds.
 - Verify second round of evaluation based upon following criteria:
 - Overall project benefit or expected performance of a project,
 - Geographic equity,
 - If applicable, past performance in project delivery,
 - Overall size/cost of project, and
 - On the ground activity.
 - Verify projects took into consideration bicycle and pedestrian needs and appropriate safety measures.
- Project funding:
 - Verify assessment to utilize debt financing or a pay-as-you-go system was done and results are reasonable.
 - Debt financing:
 - Verify costs of bond issuance have been allocated to the appropriate funding category.
 - Verify bond indebtedness does not exceed the retail and use tax proceeds for SCTA approved amounts for specific projects.
 - Verify matching funds comprise at least 50% of the total project funding.
 - Reallocation of funds:
 - Verify tax proceeds are reallocated to only projects within the same program category as the original listed project.
 - Verify reallocation is based first upon:
 - Project readiness and
 - Availability of matching funds.
 - Verify reallocation is based second upon:
 - Impact upon congestion,
 - Cost-effectiveness,
 - Ranking in the Comprehensive Transportation Plan, and
 - Schedule adherence as determined by SCTA.
 - Verify reallocation to an existing project needing additional funds (but not due to a scope change) took priority over a newly proposed project and match level meets requirements set forth in the original Measure M expenditure plan.
- Program development:
 - Verify Measure M funding is programmed in five-year increments.
 - Verify program will be updated every two years.
- Programmed projects:
 - Verify project sponsor has entered into a cooperative funding agreement with SCTA.
 - Verify appropriation request was submitted to SCTA a minimum of 30 days prior to the SCTA Board meeting.
 - Verify spending occurred after execution of cooperative funding agreement and approval of appropriation request.
 - Verify project sponsor submitted invoices to SCTA no more frequently than monthly.

- Verify SCTA reviewed invoices for quality control and sent reimbursement within 45 days.
 - If SCTA advances up to \$200,000 prior to project sponsor incurring expenditures, verify SCTA review of hardship demonstration.
 - Verify project sponsor has the necessary matching funds up front for projects that will exceed the five-year period of the strategic plan.
 - Verify project sponsors have submitted "Project Sponsor Reporting Letters."
- Project status:
 - Once progress has been made on funded projects, verify project status and include in audit report.

Exhibit B

Agreement for Auditing Services Between Sonoma County Transportation Authority And -----

This Agreement is made by and between ----- (hereinafter referred to as "Auditor"), and the Sonoma County Transportation Authority (hereinafter referred to as "Authority") for the purpose of providing skilled and knowledgeable professional auditing services.

RECITALS

- A. Auditor represents it is a duly qualified and experienced in independent auditing and related services.
- B. In the judgment of the Authority's Board, it is necessary and desirable to employ the services of Auditor for the financial and compliance audit of the fiscal year 2005/06 financial statements and Measure M.

AGREEMENT

The Authority and Auditor agree as follows:

1. SERVICES TO BE PROVIDED

The services to be provided for are described in the Authority's Request for Proposals for Professional Auditing Services for the fifteen month period ending June 30, 2006 and four subsequent years, dated June 13, 2006 and hereinafter referred to as "Proposal." A copy of the proposal attached hereto and incorporated into this agreement by reference as Attachment A. It is understood, by both parties, the audit of the Authority's financial statements and Measure M will be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the provisions of the Single Audit Act of 1984 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations. The date for receipt of the final audit report is November 30 following the end of each fiscal year.

2. FEES FOR SERVICES TO BE PERFORMED

The fee for services to be performed is _____. In addition, both parties agree the Authority may retain up to 10% of the annual contract amount until all reports are presented to the Authority in final form and accepted by the Authority. It is further understood, if the above deadlines for reports are not met by the Auditor, the Authority may deduct 5% from the annual fee due the Auditor unless deadlines are extended, in writing, by the Authority. (Full text of Auditor's Proposal also attached by reference as Attachment B)

3. TERM OF AGREEMENT

This agreement will be effective upon execution by all parties and will remain in effect until all obligations are completed hereunder. The provisions in paragraph 5 below, indemnification, shall survive termination of the contract and remain enforceable in accordance with their terms.

4. TERMINATION

At any time and without cause, the Authority will have the right, in its sole discretion, to terminate this agreement by giving five (5) days written notice to Auditor. In the event of such termination, the Authority will pay Auditor for services rendered to the date of termination.

In addition, should Auditor fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this agreement, the Authority may immediately terminate this agreement, stating the reason for termination. In such events, Auditor will be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total fees specified in the agreement as the services satisfactorily rendered hereunder by Auditor bear to the total services otherwise required to be performed for such total fees, provided, however, that Authority will deduct from such amounts the amount of damage, if any, sustained by Authority by virtue of the breach of the agreement by Auditor.

5. INDEMNIFICATION

Auditor agrees to accept all responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless, and release Authority, its officers, agents, and employees, from and against any and all actions, claims, damages, liabilities, or expenses that may be asserted by any person or entity, including Auditor, arising out of or in connection with the performance of Auditor hereunder, whether or not there is concurrent negligence on the part of Authority, but excluding liability due to the sole active negligence or sole willful misconduct of the Authority. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Auditor or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

In addition, Auditor will be liable to Authority for any loss or damage to Authority property arising from or in connection with Auditor's performance hereunder.

6. INSURANCE

With respect to performance of work under this agreement, Auditor will maintain and will require all of its subcontractors, consultants, and other agents to maintain insurance as described below.

6.1 Types of Insurance

- A. Workers' Compensation Insurance.** Workers' compensation insurance with statutory limits as required by the Labor Code of the State of California. :

This policy will not be canceled or materially changed without first giving thirty (30) days prior written notice to the Sonoma County Transportation Authority.

- B. Professional Liability Insurance.** Professional liability insurance for all activities of Auditor arising out of or in connection with this agreement in an amount not less than one million dollars (\$1,000,000.00) combined single limit for each occurrence.

In the event Auditor cannot provide an occurrence policy, Auditor will provide insurance covering claims made as a result of performance of this agreement and will maintain such insurance in effect for not less than two (2) years following completion of performance of this agreement.

6.2 Material Breach: If Auditor, for any reason, fails to maintain insurance coverage which is required pursuant to this agreement, the same will be deemed a material breach of contract. The Authority, at its sole option, may terminate this agreement and obtain damages from Auditor resulting from said breach. Alternatively, Agency may purchase such required insurance coverage, and without further notice to Auditor, County may deduct from sums due to Auditor any premium costs advanced by County for such insurance. These remedies will be in addition to any other remedies available to County.

7. PROSECUTION OF WORK

The execution of this agreement by both parties will constitute Auditor's authority to proceed immediately with the performance of this agreement. Performance of the services hereunder will be completed according to the schedule set for in the Proposal and provisioned in paragraph one (1) above, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Auditor's performance of this agreement will be extended by a number of days equal to the number of days Auditor has been delayed.

8. REPRESENTATIONS AND WARRANTIES OF AUDITOR

9.1 Standard of Care: The Authority has relied upon the professional ability and training of Auditor as a material inducement to enter into this agreement. Auditor hereby warrants that all its work will be performed in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Auditor's work by County will not operate as a waiver or release.

9.2 Status of Auditor: The parties intend that Auditor, in performing the services specified herein, will act as an independent Auditor and will control the work and the manner in which it is performed. The relationships between parties is expressly limited to the services to be provided hereunder. No County, special or general, employment or

partnership is hereby created by or between the parties. The businesses to be operated by the Auditor in furtherance of this agreement is separate and apart from any and all operations owned, operated or managed by the County. The Auditor is not an affiliate of the Authority, and no representations are authorized to be made by either party which would evidence an actual or apparent agency, employment or partnership, relationship. Neither party has the authority to act for the other in any manner to create obligations or debts which would be binding upon the other. Neither party is responsible for any obligations, debts or expenses whatsoever of the other.

The only relationship between the parties is that of independent contractors, and neither party is responsible for any act or omission of the other or any employee of the other. No employee of one party shall be deemed to be an employee of the other party for any purpose.

9.3 Cost Disclosure: In accordance with Government Code section 7550, Auditor agrees to state in a separate section in any filed report the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of the report.

9.4 Records Maintenance: Auditor will keep and maintain full and complete documentation and accounting records adequate to substantiate amounts invoiced for all services performed that are compensable under this agreement and will make such documents and records available to the Authority for inspection at any reasonable time. Auditor will maintain such records for a period of five (5) years following completion of work hereunder.

9.5 Conflict of Interest: Auditor covenants that it presently has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Auditor further covenants that in the performance of this agreement no person having any such interest will be employed. In addition, if requested to do so by Authority, Auditor will complete and file and will require any other person doing work under this agreement to complete and file a "Statement of Economic Interest" with Authority disclosing Auditor's or such other person's financial interests.

9.6 Nondiscrimination: Auditor will comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this agreement are incorporated by this reference.

10. DEMAND FOR ASSURANCE

Each party to this agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this agreement, but also conduct with respect to other agreements with parties to this agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such

assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

11. ASSIGNMENT AND DELEGATION

Neither party hereto shall assign, delegate, sublet, nor transfer any interest in or duty under this agreement without the prior written consent of the other, and no such transfer will be of any force or effect whatsoever unless and until the other party shall have so consented.

12. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS

All notices, bills and payments will be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail will be addressed as follows:

Authority: Suzanne Wilford, Executive Director
Sonoma County Transportation Authority
520 Mendocino Avenue, Suite 240
Santa Rosa, CA 95401
707-565-5373

Auditor: XXX

and when so addressed, will be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices, bills, and payments will be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this paragraph.

13. MISCELLANEOUS PROVISIONS

13.1 No Waiver of Breach: The waiver by Authority on any breach of any term or promise contained in this agreement will not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this agreement.

13.2 Construction: To the fullest extent allowed by law, the provisions of this agreement will be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation or law. The parties covenant and agree that in the event that any provision of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof will remain in full force and effect and will in no way be affected, impaired, or invalidated thereby.

Auditor and Authority acknowledge that they have each contributed to the making of this agreement and that, in the event of a dispute over the interpretation of this agreement, the language of the agreement will not be construed against one party in favor of the other. Auditor and Authority acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this agreement.

13.3 No Third Party Beneficiaries: Nothing contained in this agreement will be construed to create and the parties do not intend to create any rights in third parties.

13.4 Applicable Law and Forum: This agreement will be construed and interpreted according to the substantive law of California excluding the law of conflicts. Any action to enforce the terms of this agreement or for the breach thereof will be brought and tried in the County of Sonoma.

13.5 Captions: The captions in this agreement are solely for convenience of reference. They are not a part of this agreement and will have no effect on its construction or interpretation.

13.6 Merger: This writing and the Proposal are intended both as the final expression of the agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this agreement will be effective unless and until such modification is evidenced by a writing signed by both parties.

13.7 Time of Essence: Time is and will be of the essence of this agreement and every provision hereof.

14. ADDITIONAL REQUIREMENTS

14.1 Performance to Satisfaction of Authority: Auditor agrees to perform in accordance with the applicable professional standards and within the time specified herein. If the quality of work is not in accordance with applicable professional standards or Auditor does not perform the required services in a timely fashion, Authority, in its sole discretion, has the right to: (a) require Auditor to meet with Authority to review the quality of the work and resolve matters of concern; (b) require Auditor to repeat the work at no additional fee until it is satisfactory; and (c) terminate the agreement as set forth herein.

14.2 Pronoun Number and Gender: As required by the context of this agreement, each pronoun and parenthetical reference will mean and be construed to include the singular and plural, and the masculine, feminine, and neuter.

14.3 Key Personnel: The parties identified in this agreement or any attachment hereto as the work team, project manager, or other professional providing services under this agreement, are key persons, whose services are a material inducement to Authority to enter into this agreement, and without whose services Authority would not have entered into this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as set forth below.

Dated

Auditor:

By: _____
Signature

Dated

Sonoma County
Transportation Authority:

By: _____
Signature, SCTA Chairman

Approved as to form, SCTA Legal
Counsel:

Signature (SCTA Counsel)

Certificates of Insurance Approved as to
substance and on file with SCTA:

Signature (SCTA Executive Director)

SCTA Organization Chart 2006

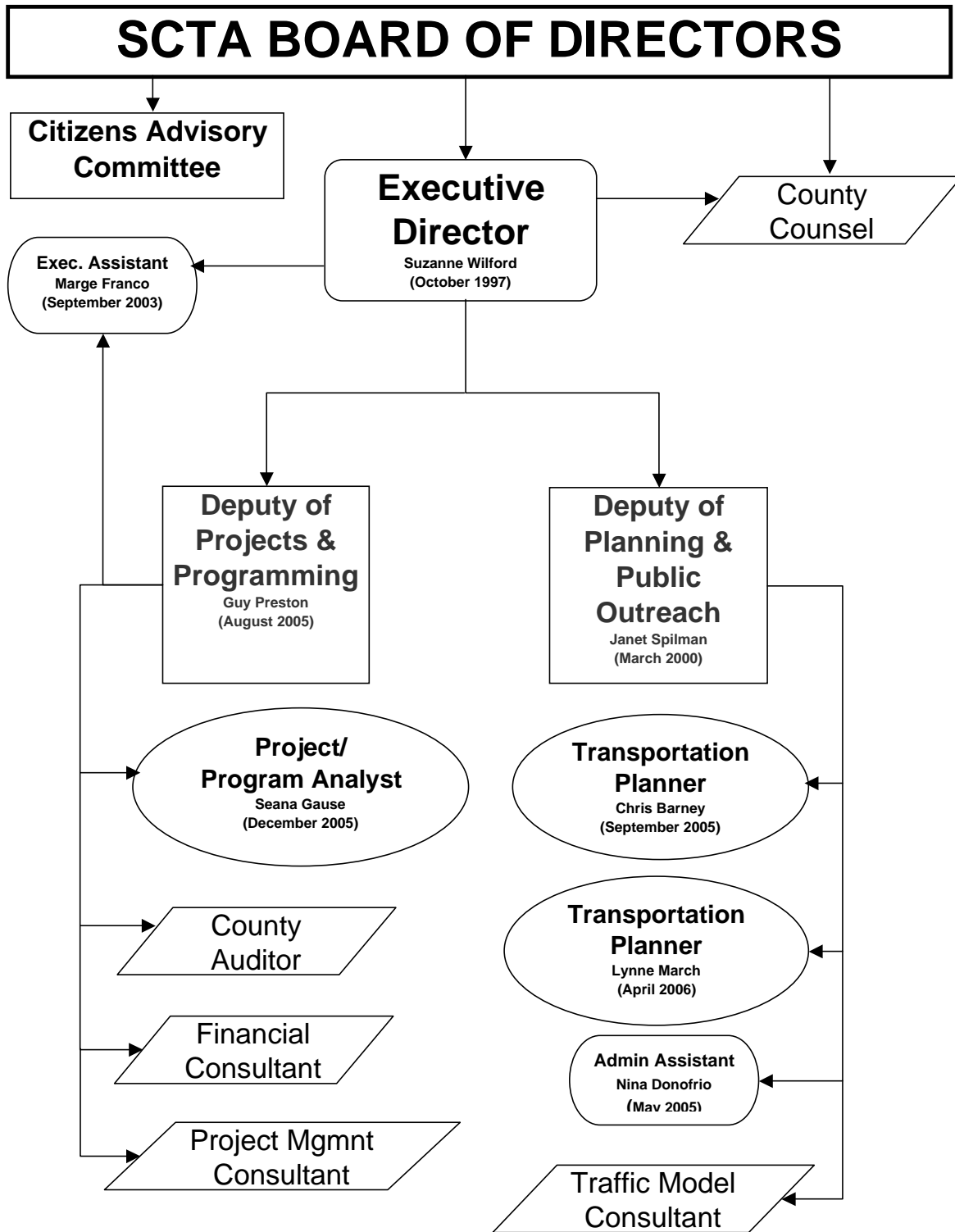


Exhibit D

Insurance Questionnaire

**REQUEST FOR QUALIFICATIONS FOR CONSULTANT SERVICES FOR
SONOMA COUNTY TRANSPORTATION AUTHORITY**

Organization Name: _____ Telephone: _____

Address: _____

Contact Person: _____

Email Address: _____

Workers' Compensation

Do you have limits as required by the Labor Code of the State of California?

General Liability Insurance

Existing Limits: _____

If your existing limits are less than required by SCTA, what limits can/will you obtain for this contract?

Automobile Liability Insurance

Existing Limits: _____

If your existing limits are less than required by SCTA, what limits can/will you obtain for this contract?

Professional Liability Insurance

Existing Limits: _____

If your existing limits are less than required by SCTA, what limits can/will you obtain for this contract?

SCTA - RFP Mailing List for Professional Auditing Services

Exhibit E

Firm Name	Contact	Address	City	State	Zip	Phone	email	Comments
Moss Adams, LLP	Steve Wallaert	3700 Old Redwood Highway, Suite 200	Santa Rosa	CA	95401	707-527-0800	steve.wallaert@mossadams.com	
Pisenti Brinker LLP	Bill Robotham	3550 Round Barn Blvd., Suite 100	Santa Rosa	CA	95403	707-542-3343	wrobotham@pbllp.com	
KPMG	Bill Ashby	400 Capitol Mall, Suite 800	Sacramento	CA	95814	916-554-1658	washby@kpmg.com	
Maze & Associates	Cory Biggs	1931 San Miguel Drive, Suite 100	Walnut Creek	CA	94596	925-930-0902	coryb@mazeassociates.com	Moving location 7/1/06
Maze & Associates	Tim Krisch	1931 San Miguel Drive, Suite 100	Walnut Creek	CA	94596	925-930-0902	timk@mazeassociates.com	Moving location 7/1/06
Gilbert Associates, Inc.	Peggy A. Vande Vooren, Principal	2880 Gateway Oaks, Dr., Suite 100	Sacramento	CA	95833	916-646-6464	peggy@gilbertcpa.com	
Kevin W. Harper, CPA	Kevin W. Harper, CPA	3002 Seriana Court	Union City	CA	94587	510-324-1022	kevinharpercpa@cs.com	
Grant Thornton LLP	Michael Stella, Dir. Business Development	One California St., Suite 2300	San Francisco	CA	94111	415-318-2223	michael.stella@gt.com	Main Line: 415-986-3900
OUM / Odenberg, Ullakko, Muranishi & Co. LLP	Chris S. Millias, Partner	465 California St., Suite 700	San Francisco	CA	94104	415-434-3744 x231	cmillias@oumcpa.com	
Macias, Gini & Company LLP	Richard Green	3000 S Street, Suite 300	Sacramento	CA	95816	916-928-4600 x3541	rgreen@maciasgini.com	cc: (Fatima Huchens, Exec. Asst) fhutchens@maciasgini.com
Zainer, Rinehart, Clarke, DFK	Meredith Cionci	3510 Unocal Place, Suite 350	Santa Rosa	CA	95403	707-525-1163	mcionci@zredfk.com	
Williams Adley	Robert Griffin	1330 Broadway, Suite 1825	Oakland	CA	94612	510-893-8114	rgriffin@wacllp.com	
Sonoma County Auditor-Controller	Greg McGurick							
Marin County Auditor-Controller	Rod Dole	585 Fiscal Drive, Room 101F	Santa Rosa	CA	95403	707-565-2631	rdole@sonoma-county.org	GMCGUIRK@sonoma-county.org
	Richard Arrow	3501 Civic Center Dr., Room 225	San Rafael	CA	94903	415-499-6154	rarrow@co.marin.ca.us	