

BOARD ACTION ITEM

Item Number: BA2023-29

Meeting Date: April 17, 2023

Item Title: Financial Audit and Review Services

BACKGROUND

As provided in Trinity Metro's enabling legislation, Chapter 452 of the Texas Transportation Code, as amended, Trinity Metro is required to have an annual audit performed by an independent certified public accountant or a firm of independent certified public accountants.

Trinity Metro is required to have an annual single audit of grant funding and the annual audit of Trinity Metro's 401(k) employee benefit plan under various federal laws and regulations.

Trinity Metro is required to have an independent review and certification of compliance with the Payment Card Industry (PCI) standards to be able to continue processing credit card payments and a review of the annual and periodic submissions to the National Transit Database (NTD) under federal regulations.

Trinity Metro has established an outsourced program of internal audit reviews or audits of various financial and operating processes and balances for conformity with company policies and procedures as a part of good financial stewardship.

REQUEST FOR PROPOSAL (RFP)

In accordance with the Trinity Metro Procurement Policy, Request for Proposal (RFP# 23-T024), for Financial Audit and Review Services was advertised on Trinity Metro's website and sent to known firms for participation.

The solicitation resulted in responses from four firms: CliftonLarsonAllen, LLP, Moss Adams, LLP, Weaver and Tidwell, L.L.P. and Whitley Penn LLP.

An Evaluation Committee reviewed and rated the proposals based on: 1) Qualifications of Firm; 2) Qualifications of Staff; 3) Work Plan/Project Approach; 4) Fee Proposal; and 5) DBE Certification Requirements.

The proposals rated highest are as follows:

-Weaver and Tidwell, L.L.P.

-Whitley Penn, LLP

The Evaluation Committee has elected to appoint both firms to provide outsourced internal audit and review services in the event that the highest rated firm cannot provide services requested: (1) in a timely matter, (2) due to scope or fee issues, (3) due to lack of professional staff availability, or (4) because of a professional conflict or independence consideration. This dual appointment will provide Trinity Metro with services timeously, economically and within professional standards.

PROCUREMENT

Trinity Metro's Procurement Department has followed procurement policy with the Request for Proposal and complies with all applicable Federal, State, and Trinity Metro procurement requirements.

FINANCING

Funds are available in the FY2023 Operating Budget for Financial Audit and Review Services. Provisions for future years will be requested in the proposed annual budgets.

Item Number: BA2023-29
Item Title: Financial Audit and Review Services

Meeting Date: April 17, 2023
Page 2

The cost of providing identified services is estimated to be \$165,000 for the first year rising to \$184,000 in the fifth year, each including a 10% contingency. The total cost over five (5) years, including a 10% contingency, is estimated at \$871,000.

DBE UTILIZATION

The DBE Goal for the annual financial statements and single audit services is 25%. Weaver and Tidwell, L.L.P. has committed to meet this DBE goal for this solicitation.

RECOMMENDATION

The Evaluation Committee recommends Trinity Metro's Board of Directors authorize the President/Chief Executive Officer, to contract with the following firms to provide financial audit and review services for a three-year term, with options to renew for two (2) additional one-year terms for the five (5) years are:

1. Weaver and Tidwell, L.L.P.
2. Whitley Penn, LLP

The total cost over five (5) years for both firms, including a 10% contingency, shall not exceed \$871,000.

STAFF DISPOSITION

Fred Crosley

April 6, 2023

EXECUTIVE LEADER APPROVAL

DATE

DISPOSITION BY BOARD OF DIRECTORS


SECRETARY APPROVAL


DATE