



Finance, Administration and Oversight Committee

Action Item III-A

March 13, 2008

Selection of External Audit Contractor

**Washington Metropolitan Area Transportation Authority
Board Action/Information Summary**

Action
 Information

MEAD Number:
99955

Resolution:
 Yes No

PURPOSE

To request the Board Finance, Administration and Oversight Committee to consider Clifton Gunderson LLP, the technically qualified and best value External Auditor identified by the Inspector General as a result of a competitive negotiated proposal and recommend appropriate action to the Board of Directors. This contract will provide external audit and management-type audit services for the period beginning May 1, 2008. The base contract is for three years with a provision for two one-year options.

DESCRIPTION

The contract provides for the services of a public accounting firm to conduct independent annual audits of WMATA's financial records, accounts and statements for FY08-10. It also provides for two one-year options (FY11 and FY12). In addition, the contract makes available services of a management-type nature to include examining, analyzing and making recommendations about activities, functions, procedures and practices as the Board may choose to authorize.

An annual independent audit of the financial records, accounts and statements is required under the Compact, OMB Circular A-133, FTA Circular 9030.1 and FTA National Transit Database Reporting Manual. Additional services are established in Resolution #83-3 dated January 6, 1983. The present contract expires May 31, 2008; therefore, a new contract is necessary.

On March 6, 2008, the Subcommittee for Audits and Investigations reviewed and concurred with the firm identified by the Inspector General as technically qualified and the best value.

FUNDING IMPACT

This is a multi-year contract for contract years May 1, 2008 through May 31, 2011, with a provision for two one-year options. The base contract amount is not to exceed \$704,000. Option Years 1 and 2 are not to exceed \$253,975 and \$266,000 respectively.

Budget Information:	FY08	FY09	FY10	FY11	FY12	FY13
Budget Amount:	\$ 33,750	\$ 300,000	\$ 325,000	\$350,000	\$375,000	\$375,000
This Action:	33,750	215,050	238,300	242,298	255,178	239,400
Prior Obligations:	0	0	0	0	0	0
Subtotal:	33,750	215,050	238,300	242,298	255,178	239,400
Remaining Budget:	\$ 0	\$ 84,950	\$ 86,700	\$ 82,703	\$ 94,823	\$135,600

Work performed under this contract beyond June 30, 2008, will be subject to Board approval of the FY09 budget. Subsequent years are subject to availability of funds in the FY10-13 budgets.

RECOMMENDATION

The Board Finance, Administration and Oversight Committee consider Clifton Gunderson LLP, the technically qualified and best value External Auditor identified by the Inspector General and recommend appropriate action to the Board of Directors.



Request to Award Contract for External Audit Services

Presented to the Board of Directors:

**Finance, Administration and Oversight
Committee**

March 13, 2008



Purpose

- **To request the Board Finance, Administration and Oversight Committee consider Clifton Gunderson LLP, the technically qualified and best value External Auditor identified and recommend appropriate action by the Board of Directors.**
- **This contract will provide External Audit Services and Management-type Audit Services for a base period of three years with a provision for two one-year options.**



Selection Process

- **Solicited Major Accounting Firms**
- **Established an Evaluation Support Team**
- **Used best value procurement**
- **Heard Oral Presentations from the selected proposers**
- **Identified and Selected the Technically Qualified and Best Value Proposer**
- **Discussed selection with Subcommittee on Audits and Investigations**



Funding Impact

Budget Information	FY08	FY09	FY10	FY11	FY12	FY13
Budget Amount	\$ 33,750	\$ 300,000	\$ 325,000	\$ 350,000	\$ 375,000	\$ 375,000
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Remaining Budget	\$ 33,750	\$ 84,950	\$ 86,700	\$ 82,703	\$ 94,823	\$ 135,600

Work performed under this contract beyond June 30, 2008, will be subject to Board approval of the FY09 and subsequent budgets.



Recommendation

The Board Finance, Administration and Oversight Committee consider Clifton Gunderson LLP, the technically qualified and best value External Auditor identified by the Inspector General and recommend appropriate action to the Board of Directors.