

PROCUREMENT SUMMARY

CONSOLIDATED AUDIT PROGRAM FY 2016 THRU 2020
PS4488900 – VAZQUEZ & COMPANY, LLP
PS4489300 – SIMPSON & SIMPSON, LLP

1.	Contract Number A: PS4488900 Contract Number B: PS4489300	
2.	Recommended Vendor A: Vasquez & Company, LLP Recommended Vendor B: Simpson & Simpson, LLP	
3.	Type of Procurement (check one): IFB RFP RFP-A&E Non-Competitive Modification Task Order	
4.	Procurement Dates:	
	A. Issued: November 4, 2015	
	B. Advertised/Publicized: November 4, 2015	
	C. Pre-proposal/Pre-Bid Conference: November 19, 2015	
	D. Proposals/Bids Due: December 15, 2015	
	E. Pre-Qualification Completed: February 23, 2016	
	F. Conflict of Interest Form Submitted to Ethics: January 11, 2016	
	G. Protest Period End Date: March 16, 2016	
5.	Solicitations Picked up/Downloaded: 21	Bids/Proposals Received: 7
6.	Contract Administrator: Rommel Hilario	Telephone Number: (213) 922-4654
7.	Project Manager: Diana Estrada	Telephone Number: (213) 922-2161

A. Procurement Background

This Board Action is to approve two contract awards in support of Management Audit Services to perform financial and compliance audits, and provide assurances that recipients of subsidies are adhering to the statutes of each applicable funding source as outlined in Request for Proposal (RFP) No. PS21676. The scope of services required under this contract is divided into two separate packages (Package A and B). These packages were constructed primarily based on the geographical locations of the agencies to be audited; to assist each of the firms in meeting strict audit schedules; and to streamline the audit processes for each of these projects. Firms were allowed to propose on Package A, Package B, or both. However, one firm could not be awarded both Packages as provided in the RFP.

The RFP was issued as a competitive negotiated procurement in accordance with Metro's Acquisition Policy. The contract type is firm fixed unit price.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on November 20, 2015, extended the proposal due date; and

- Amendment No. 2, issued on November 25, 2015, provided Pre-Proposal Conference materials including answers to questions from proposers.

A Pre-Proposal Conference was held on November 18, 2015 and was attended by four participants representing four firms. A total of seven proposals were received on December 15, 2015.

The seven proposers are listed in alphabetical order:

1. BCA Watson Rice, LLP
2. Conrad & Company CPAs
3. Grant Thornton, LLP
4. Lopez & Company, LLP
5. Simpson & Simpson, LLP
6. Tahim and Associates, APC *
7. Vasquez & Company, LLP

* Metro staff deemed the proposals from Tahim and Associates as non-responsive. SBE and DVBE forms as required in the RFP were not submitted. Thus, the proposals were not considered by the Proposal Evaluation Team (PET).

B. Evaluation of Proposals

Proposal submittals were evaluated in accordance with the criteria established in the RFP and in compliance with Metro's Acquisition Policy.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|---|-----|
| • Degree of the Prime's Skills and Experience | 40% |
| • Understanding of the Statement of Work | 35% |
| • Cost/Price | 25% |

The evaluation criteria is appropriate and consistent with criteria developed for similar procurements for Management Audit Services. Several factors were considered when developing these weights, giving the greatest importance to the prime's skills and experience in performing the work.

The PET, consisting of staff from Finance, OMB, and Management Audit Services, met on January 15, 2016, to conduct a comprehensive review of the technical qualifications of the proposal submissions received. The PET reviewed proposals based on the technical criteria consistent with the qualifications, experience and resources necessary to meet the requirements of the RFP. Each proposal addressed the firm's degree of skills and experience and understanding of the statement of work. The proposals highlighted the firms' capabilities, and the roles of the proposer's project and management teams.

The PET recommendation for Package A contract award is the following:

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	Vasquez & Company, LLP				
3	Degree of the Prime's Skills and Experience	88.92	40.00%	35.57	
4	Understanding of the Statement of Work	79.34	35.00%	27.77	
5	Cost	84.00 85.58	25.00%	21.00 21.39	
6	Total		100.00%	84.34 84.73	1
7	Simpson & Simpson, LLP				
8	Degree of the Prime's Skills and Experience	79.60	40.00%	31.84	
9	Understanding of the Statement of Work	90.00	35.00%	31.50	
10	Cost	60.00 62.48	25.00%	15.00 15.62	
11	Total		100.00%	78.34 78.96	2
12	BCA Watson Rice LLP				
13	Degree of the Prime's Skills and Experience	78.92	40.00%	31.57	
14	Understanding of the Statement of Work	54.00	35.00%	18.90	
15	Cost	100.00	25.00%	25.00	
16	Total		100.00%	75.47	3
17	Grant Thorton LLP				
18	Degree of the Prime's Skills and Experience	69.67	40.00%	27.87	
19	Understanding of the Statement of Work	71.34	35.00%	24.97	
20	Cost	68.00 69.48	25.00%	17.00 17.37	
21	Total		100.00%	69.84 70.21	4
22	Conrad & Company CPAs				
23	Degree of the Prime's Skills and Experience	74.82	40.00%	29.93	
24	Understanding of the Statement of Work	46.00	35.00%	16.10	
25	Cost	68.00 69.10	25.00%	17.00 17.28	
26	Total		100.00%	63.03 63.31	5

		Average Score	Factor Weight	Weighted Average Score	Rank
27	Lopez & Company, LLP				
28	Degree of the Prime's Skills and Experience	72.25	40.00%	28.90	
29	Understanding of the Statement of Work	36.00	35.00%	12.60	
30	Cost	64.00 66.28	25.00%	16.00 16.57	
31	Total		100.00%	57.50 58.07	6

The PET recommendation for Package B is the following:

	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
1					
2	Simpson & Simpson, LLP				
3	Degree of the Prime's Skills and Experience	79.67	40.00%	31.87	
4	Understanding of the Statement of Work	90.00	35.00%	31.50	
5	Cost	84.00 74.33	25.00%	21.00 18.58	
6	Total		100.00%	84.37 81.95	4-2
7	Vasquez & Company, LLP				
8	Degree of the Prime's Skills and Experience	88.92	40.00%	35.57	
9	Understanding of the Statement of Work	77.14	35.00%	27.00	
10	Cost	78.68 85.45	25.00%	19.67 21.36	
11	Total		100.00%	82.24 83.93	2-1
12	BCA Watson Rice, LLP				
13	Degree of the Prime's Skills and Experience	78.92	40.00%	31.57	
14	Understanding of the Statement of Work	54.00	35.00%	18.90	
15	Cost	100.00	25.00%	25.00	
16	Total		100.00%	75.47	3-4
17	Grant Thornton, LLP				
18	Degree of the Prime's Skills and Experience	69.67	40.00%	27.87	
19	Understanding of the Statement of Work	71.34	35.00%	24.97	
20	Cost	76.00 91.30	25.00%	19.00 22.82	
21	Total		100.00%	71.84 75.66	4-3

		Average Score	Factor Weight	Weighted Average Score	Rank
22	Conrad				
23	Degree of the Prime's Skills and Experience	74.82	40.00%	29.93	
24	Understanding of the Statement of Work	46.00	35.00%	16.10	
25	Cost	73.32 84.74	25.00%	18.33 21.19	
26	Total		100.00%	64.36 67.22	5
27	Lopez & Company, LLP				
28	Degree of the Prime's Skills and Experience	72.25	40.00%	28.90	
29	Understanding of the Statement of Work	36.00	35.00%	12.60	
30	Cost	73.32 76.52	25.00%	18.33 19.13	
31	Total		100.00%	59.83 60.63	6

C. Cost/Price Analysis

The recommended pricing for the contracts are fair and reasonable based on adequate price competition, historical pricing, and independent cost estimate of the proposals.

Firms, as previously stated, were allowed to propose on Package A, Package B, or both. However, one firm could not be awarded both Packages, as stipulated in the RFP, to ensure firms would meet Metro strict audit schedules and to streamline the audit processes for each of these projects. This cost analysis considers the most total cost efficient approach for the award of Package A and Package B.

Vasquez & Company, LLP advised Metro of a mistake in calculating their total price proposal for Package B. The "Total" and "Cost" scores for Vasquez have been revised to reflect their corrected price. As a result of this score adjustment, Vasquez is the highest ranked firm for Package B. However, staff's recommendation remains unchanged and offers the best value and cost efficiencies to Metro. The combined value for Package A (Vasquez & Company LLP) and Package B (Simpson & Simpson LLP), based on the best value to Metro results in a total cost of \$6,114,148. A reversed recommendation between the top two ranked firms for Package A and Package B would result in a higher overall cost of \$6,489,182 to Metro. Therefore, staff's recommendation offers an overall cost savings of \$375,034 for Metro.

PACKAGE A

PROPOSER	PACKAGE A AMOUNT	METRO ICE	AWARD AMOUNT
Vasquez & Company, LLP	\$2,341,648.00	\$2,672,421.60	\$2,341,648.00
Simpson & Simpson CPAs	\$3,207,500.00		
BCA Watson Rice LLP	\$2,004,170.00		
Grant Thornton LLP	\$2,884,282.00		
Conrad	\$2,900,200.00		
Lopez & Company	\$3,023,497.98		

PACKAGE B

PROPOSER	PACKAGE B AMOUNT	METRO ICE	AWARD AMOUNT
Simpson & Simpson CPAs	\$3,772,500.00	\$3,662,094.33	\$3,772,500.00
Vasquez & Company, LLP	\$4,107,070.00 <u>\$3,281,682.00</u>		
BCA Watson Rice LLP	\$2,804,215.00		
Grant Thornton LLP	\$3,071,228.47		
Conrad	\$3,309,150.00		
Lopez & Company	\$3,664,528.27		

D. Background on Recommended Contractors

PACKAGE A - Vasquez & Company, LLP

Vasquez & Company, LLP is a full service Certified Public Accounting firm, founded in 1967. Vasquez & Company, LLP has experience in performing financial compliance audits for a variety of not-for-profit organizations, profit organizations, public agencies and publicly traded companies. Vasquez & Company, LLP has performed professional audit services for the Los Angeles County Metropolitan Transportation Authority, its predecessors and the Los Angeles Unified School District. Types of audits conducted are cost and closeout audits, overhead rate, change order, pre-award audits in accordance with auditing standards generally accepted in the U.S. Generally Accepted Government Auditing Standards, and the criteria prescribed by Subpart 31.2 of the Federal Acquisition Regulation (FAR) and in conformance with the Cost Accounting Standards Board Procurements. The firm's overall past performance has been satisfactory. Vasquez & Company, LLP was awarded Metro's Consolidated Audit contract for fiscal years 2012 through 2015.

PACKAGE B - Simpson & Simpson, LLP

Simpson & Simpson, LLP, based in Los Angeles, CA, has been in business since 1976. They operate as a partnership and firm of Certified Public Accountants. The firm ranks among the top minority/small business public accounting firms in the United States. Simpson & Simpson, LLP is an experienced audit and consulting firm in the government audit arena and has performed professional services for local, state and federal government agencies as well as private business. Simpson & Simpson, LLP has performed work for the Los Angeles County Metropolitan Transportation Authority, Los Angeles Unified School District, City of Los Angeles, County of Los Angeles and their various programs. Simpson & Simpson, LLP has provided professional audit services of grants, contract pre-awards, information services and has been a firm on Metro's CPA Bench pool for a number of years. The firm has also provided services on Metro's Consolidated Audits programs during fiscal years FY2004 through FY2007. The firm's overall past performance has been satisfactory. Simpson & Simpson, LLP was awarded Metro's Consolidated Audit contract for fiscal years 2012 through 2015.