

PROCUREMENT SUMMARY

CONSOLIDATED AUDITS / PS71091000 and PS71091001

1.	Contract Number A: PS71091000 Contract Number B: PS71091001	
2.	Recommended Vendor Package A: Vasquez and Company, LLP Recommended Vendor Package B: Simpson and Simpson, LLP	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: October 28, 2020	
	B. Advertised/Publicized: October 28, 2020	
	C. Pre-Proposal Conference: November 6, 2020	
	D. Proposals Due: December 8, 2020	
	E. Pre-Qualification Completed: March 11, 2021	
	F. Conflict of Interest Form Submitted to Ethics: February 10, 2021	
	G. Protest Period End Date: May 24, 2021	
5.	Solicitations Picked up/Downloaded: 27	Bids/Proposals Received: 3
6.	Contract Administrator: Greg Baker	Telephone Number: (213) 922-7577
7.	Project Manager: Lauren Choi	Telephone Number: (213) 922-3926

A. Procurement Background

This Board action is to approve the award of Contract No. PS71091000 to Vasquez and Company, LLP (Vasquez) and Contract No. PS71091001 to Simpson and Simpson, LLP (Simpson) to perform consolidated financial and compliance audits of programs, jurisdictions and agencies listed in Packages A and B for fiscal years (FY) 2021 – 2025, respectively, in order to provide assurances that recipients of subsidies are adhering to the statutes of each applicable funding source. Board approval of contract awards are subject to resolution of any properly submitted protest(s).

The scope of services to be provided are divided into two separate packages (Package A and B) based primarily on the geographical locations of the agencies to be audited.

On October 28, 2020, Request for Proposals (RFP) No. PS71091 was issued as a competitive negotiated procurement in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. This RFP was issued with an SBE goal of 27% and DVBE goal of 3%.

The RFP allowed interested firms to propose on Package A, Package B, or both. However, the RFP stated that a proposer can only be awarded one package. This aims to streamline the audit process and to ensure that audit firms will be able to meet Metro' strict audit schedule.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on November 13, 2020 extended the proposal due date; revised the Submittal Requirements; and replaced Exhibit 2 Schedule of Quantities and Prices form.

A virtual pre-proposal conference was held on November 6, 2020. A total of 27 firms downloaded the RFP and were included in the planholders' list. A total of 14 questions were received, and Metro provided responses prior to the proposal due date.

A total of three proposals were received on December 8, 2020 and are listed below in alphabetical order:

1. Choi Hong Lee & Kang, LLP
2. Simpson & Simpson, LLP
3. Vasquez & Company, LLP

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Accounting, Management Audit Services, and Office of Management & Budget departments convened and conducted a comprehensive technical evaluation of the proposals received.

On December 9, 2020, the PET met to review the evaluation criteria package, process confidentiality and conflict of interest forms and take receipt of the three proposals to initiate the evaluation phase.

The proposals were initially evaluated based on the pass/fail criteria minimum qualifications criteria outlined in the RFP. The pass/fail requirements included years of experience as a Certified Public Accountant (CPA) firm doing business in the State of California and record of satisfactory Peer Review within the last three (3) years showing compliance with Generally Accepted Government Auditing Standards (GAGAS).

The PET determined that all three proposals passed the minimum qualification requirements and were further evaluated based on the following weighted evaluation criteria:

- | | |
|---|------------|
| • Qualifications of the Prime Contractor/Team | 20 Percent |
| • Qualifications of Proposed Key Personnel | 20 Percent |
| • Understanding and Approach to the Work | 30 Percent |
| • Cost Proposal | 30 Percent |

The evaluation criteria are appropriate and consistent with criteria developed for similar consolidated financial and compliance audit services procurements. Several factors were considered in developing these weights, giving the greatest importance to the understanding and approach to the work and cost.

Evaluations were conducted from December 9, 2020 to December 28, 2020. At the conclusion of the evaluation process, the PET determined that of the three proposals received, one firm was determined to be outside the competitive range and was not included for further consideration.

The two firms within the competitive range are listed below in alphabetical order:

1. Simpson & Simpson, LLP
2. Vasquez & Company, LLP

Each firm's proposal provided an overview of existing clientele, presented the industry experience of each team member, proposed commitment to the project and existing engagements that may impact work performance on this contract.

The PET determined Simpson to be the top ranked firm for both Package A and Package B. However, since a proposer cannot be awarded both packages as provided in the RFP, the PET recommended the award of Package A to Vasquez, the second highest ranking firm and Package B to Simpson, the top ranked firm.

Qualifications Summary of Firms within the Competitive Range:

Simpson & Simpson, LLP

Simpson established in 1976, is a local minority-owned firm of Certified Public Accountants. The firm specializes in comprehensive annual financial report, financial statement audits, audits of state and local governments, audits of non-profit organizations, performance audits, agreed upon procedures, compliance audits, single audits, and pension plans.

Vasquez & Company, LLP

Vasquez has been in business for over 50 years, and provides accounting, auditing and consulting services to government entities, private sector, not-for-profit organizations and to individuals. Its audit experience includes audit and advisory services to local municipalities, successor agencies to redevelopment agencies, water districts, transportation authorities, joint power authorities and airports. The firm is experienced in financial statement audits, uniform guidance audits, benefit plan audits and FAR compliance.

A summary of the PET scores for Package A is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Vasquez				
3	Qualifications of the Prime Contractor/Team	88.90	20.00%	17.78	
4	Qualifications of Proposed Key Personnel	88.90	20.00%	17.78	
5	Understanding and Approach to the Work	85.57	30.00%	25.67	
6	Cost Proposal	3.00	30.00%	0.90	
7	Total		100.00%	62.13	2
8	Simpson				
9	Qualifications of the Prime Contractor/Team	93.35	20.00%	18.67	
10	Qualifications of Proposed Key Personnel	94.45	20.00%	18.89	
11	Understanding and Approach to the Work	91.10	30.00%	27.33	
12	Cost Proposal	3.13	30.00%	0.94	
13	Total		100.00%	65.83	1

A summary of the PET scores for Package B is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Simpson				
3	Qualifications of the Prime Contractor/Team	93.35	20.00%	18.67	
4	Qualifications of Proposed Key Personnel	94.45	20.00%	18.89	
5	Understanding and Approach to the Work	91.10	30.00%	27.33	
6	Cost Proposal	3.07	30.00%	0.92	
7	Total		100.00%	65.81	1
8	Vasquez				
9	Qualifications of the Prime Contractor and Team	88.90	20.00%	17.78	
10	Qualifications of Proposed Key Personnel	88.90	20.00%	17.78	
11	Understanding and Approach to the Work	85.57	30.00%	25.67	

12	Cost Proposal	3.03	30.00%	0.91	
13	Total		100.00%	62.14	2

C. Cost/Price Analysis

The recommended prices for Packages A and B have been determined to be fair and reasonable based on adequate price competition, technical evaluation, price analysis, independent cost estimate (ICE) and negotiations.

Package A

	Proposer Name	Proposal Amount	Metro ICE	Negotiated or Award
1.	Vasquez	\$2,506,618.26	\$3,228,314.00	\$2,506,618.26
2.	Simpson	\$2,399,950.00	\$3,228,314.00	N/A

Package B

	Proposer Name	Proposal Amount	Metro ICE	Negotiated or Award
1.	Simpson	\$3,035,200.00	\$3,248,781.00	\$2,955,150.00
2.	Vasquez	\$3,077,166.55	\$3,248,781.00	N/A

D. Background on Recommended Contractors

Vasquez & Company, LLP (Package A)

Vasquez headquartered in Glendale, CA, is a full service Certified Public Accounting firm. It has been providing consolidated audit services to Metro under Package A for the last five years and performance has been satisfactory.

The Vasquez team includes one SBE subcontractor: BCA Watson Rice, LLP and one DVBE subcontractor: Daniel Arguello & Associates, which shall assist in providing auditing and accounting services.

The proposed Lead Partner has over 20 years of public accounting experience, centered on the public transportation industry.

Simpson & Simpson, LLP (Package B)

Simpson, based in Los Angeles, CA, has been providing consolidated audit services to Metro under Package B for the last five years and performance has been satisfactory.

The Simpson team includes one SBE subcontractor: Qui Accountancy and one DVBE subcontractor: Dennis Nelson, CPA, which shall assist in providing auditing and accounting services.

The proposed Lead Engagement Partner has over 30 years' experience auditing government and non-profit sectors.