

**AGENDA
 PALOS VERDES PENINSULA TRANSIT AUTHORITY
 REGULAR MEETING
 JULY 18, 2019
 ROLLING HILLS ESTATES CITY HALL, 4045 Palos Verdes Drive North
 Rolling Hills Estates, CA 90274**

Time Estimates: The time noted next to an agenda item is only an estimate of the amount of time that will be spent during the meeting on that particular item. Accordingly, these estimates should not be relied on in determining when a matter will be heard, especially since agenda items are often re-ordered during a meeting and may be discussed at any time.

6:00 P.M. REGULAR SESSION

(5 mins) **CALL TO ORDER:**

ROLL CALL:

FLAG SALUTE:

CONFIRM POSTING OF THE AGENDA BY ROLLING HILLS ESTATES CITY CLERK:

PUBLIC COMMENTS: (All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no discussion of these items unless members of the Board request specific items to be removed from the Consent Calendar for separate action.

(5 mins) **APPROVAL OF CONSENT CALENDAR:**

1. Approval of May 16, 2019 Board Minutes Page 3
2. Register of Standing demands and Previously Authorized demands under Resolution 94/95-01 and per attached listing: Page 4

Month	Check #	Amount
April	6288-7308	\$ 189,451.03
May	7309-7328	\$ 181,918.72
June	7329-7348	\$ 111,137.73
TOTAL		\$ 482,507.48

Recommendation: Approve Consent Calendar items

If you need special assistance to participate in an Authority meeting under the Americans with Disabilities Act (ADA) or as a person with limited English proficiency (LEP) under Executive Order 13166, please contact the Secretary (310-544-7108) with request for reasonable accommodation at least forty-eight hours prior to the meeting.

(10 mins) **ADMINISTRATOR REPORT:**

(30 mins) **REGULAR BUSINESS:**

I. MONTHLY & REGULAR REPORTS

- A. Operations Report Page 6
1. Review of ridership data for the period ending 06/30/19

Recommendation: Receive and file report

- B. Finance Page 10
1. Financial Statements as of June 30, 2019

II. NEW BUSINESS

- A. Title VI Program Page 11

- B. Proposition A Fund Exchange with City of Cudahy Page 12

Recommendation: Approve Agreement with City of Cudahy

- C. Purchase one bus from Creative Bus Sales Page 15

Recommendation: Approve purchase of one bus from Creative Bus Sales

- D. Agreement with Rogers Anderson Malody & Scott, LLP Page 20

Recommendation: Approve Agreement with RAMS CPA

(5 mins) **FUTURE AGENDA ITEMS:** (This section of the agenda is designated for individual Board Members to request that an item be placed on a future PVPTA meeting agenda.)

(10 mins) **CHAIR AND MEMBER ITEMS REPORT:**

- A. PVPUSD Update Verbal

ADJOURNMENT: Rolling Hills Estates City Hall, October 17, 2019

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: July 9, 2019
SUBJECT: May 16, 2019 Board Minutes

This report will be submitted under separate cover.

Palos Verdes Peninsula Transit Authority
Checks Written for
April-June 2019

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Original Amount</u>	<u>Paid Amount</u>
Apr 19	04/23/2019	eft	Deluxe Business Checks & Solutions	Check Printing	-466.92	-466.92
	04/13/2019	6288	California Department of Tax and Fee Adm.	Account Number 58-400137	-880.45	-880.45
	04/25/2019	6289	Betty Hicks	Dial-A-Ride Refund	-18.00	-18.00
	04/25/2019	6290	Postmaster	Box rental: #2656	-85.00	-85.00
	04/25/2019	6291	Administrative Services Co-Op	Invoice 190331 March 2019 Dial-A-Ride Service	-13,654.87	-13,654.87
	04/25/2019	6292	AT&T	Account No. 0206360576001	-116.51	-116.51
	04/25/2019	6293	Clean Energy	CNG Fuel for March 2019	-16,520.32	-16,520.32
	04/25/2019	6294	County Sanitation Districts of LA County	Parking Lot Lease	-7,731.50	-7,731.50
	04/25/2019	6295	Decals By Design	Decal Removal	-325.00	-325.00
	04/25/2019	6296	Ed's Fencing	Fence Repair	-1,735.00	-1,735.00
	04/25/2019	6297	Frontier Communications7108	310 544-7108-062795-5	-315.12	-315.12
	04/25/2019	6298	Mutual Liquid Gas & Equipment Co., Inc.	Propane Fuel for March 2019	-3,023.98	-3,023.98
	04/25/2019	6299	MV Transportation, Inc.	March 2019 Fixed Route Bus Service	-123,612.12	-123,612.12
	04/25/2019	6300	Office Depot	Account 34585368	-74.33	-74.33
	04/25/2019	6301	PitneyBowes Global Financial Services	Account 0015571055	-295.62	-295.62
	04/25/2019	7302	PVPUSD-Rent	Utility Charges	-601.90	-601.90
	04/25/2019	7303	ReadyRefresh by Nestle	Account 0024293722	-12.03	-12.03
	04/25/2019	7304	Wells Fargo	Acct 4484610008047386	-353.62	-353.62
	04/25/2019	7305	White Wings Cleaning Service	Office Cleaning	-110.00	-110.00
	04/25/2019	7306	Xerox	Account 719892051	-295.62	-295.62
	04/30/2019	7307	Mobility Advancement Group	Administrative Services for April 2019	-17,357.37	-17,357.37
	04/30/2019	7308	CKG Communications	Bus Scheduling Design	-1,865.75	-1,865.75
Apr 19						<u>-189,451.03</u>

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Original Amount</u>	<u>Paid Amount</u>
May 19	05/23/2019	7309	Chie Masumoto	Dial-A-Ride Refund	-60.00	-60.00
	05/23/2019	7310	Tina Rebogio	Dial-A-Ride Refund - Close accounts 6546 and 65t	-180.00	-180.00
	05/23/2019	7311	Edward Hinz	DAR account 8000 close	-48.00	-48.00
	05/23/2019	7312	Administrative Services Co-Op	Invoice 190430 April 2019 Dial-A-Ride Service	-12,718.23	-12,718.23
	05/23/2019	7313	AT&T	Account No. 0206360576001	-126.15	-126.15
	05/23/2019	7314	California J.P.I.A.	Liability Insurance	-9,092.00	-9,092.00
	05/23/2019	7315	Clean Energy	April 2019 CNG Fuel	-15,987.51	-15,987.51
	05/23/2019	7316	County Sanitation Districts of LA County	Parking Lot Lease	-7,731.50	-7,731.50
	05/23/2019	7317	Frontier Communications7108	310 544-7108-062795-5	-318.08	-318.08
	05/23/2019	7318	Gayle Albin-Bailey	Bookkeeping Service	-1,050.00	-1,050.00
	05/23/2019	7319	Mutual Liquid Gas & Equipment Co., Inc.	Propane Fuel, April 2019	-2,481.92	-2,481.92
	05/23/2019	7320	MV Transportation, Inc.	Fixed Route Bus Service, April 2019	-108,057.58	-108,057.58
	05/23/2019	7321	Palos Verdes On the Net	Web page Service	-3,350.00	-3,350.00
	05/23/2019	7322	PitneyBowes Global Financial Services	Account 0015571055	-32.00	-32.00
	05/23/2019	7323	Postmaster	Postal Box 2656	-170.00	-170.00
	05/23/2019	7324	ReadyRefresh by Nestle	Account 0024293722	-12.03	-12.03
	05/23/2019	7325	Wells Fargo	Acct 4484610008047386	-835.55	-835.55
	05/23/2019	7326	White Wings Cleaning Service	Office Cleaning	-110.00	-110.00
	05/23/2019	7327	Xerox	Account 719892051	-295.20	-295.20
	05/31/2019	7328	Mobility Advancement Group	Administrative Services for April 2019	-19,262.97	-19,262.97
May 19						<u>-181,918.72</u>

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Original Amount</u>	<u>Paid Amount</u>
Jun 19	06/25/2019	7329	AT&T	Account No. 0206360576001	-326.22	-326.22
	06/25/2019	7330	County Sanitation Districts of LA County	Parking Lot Lease	-7,731.50	-7,731.50
	06/25/2019	7331	Daily Breeze Advertising	Legal Advertising	-80.00	-80.00
	06/25/2019	7332	Darold D. Pieper	Legal Service	-75.00	-75.00
	06/25/2019	7333	Frontier Communications7108	310 544-7108-062795-5	-315.52	-315.52
	06/25/2019	7334	Macias Gini & O'Connell. LLP	FYE June 30, 2018 Audit	-5,304.00	-5,304.00
	06/25/2019	7335	Mutual Liquid Gas & Equipment Co., Inc.	Propane Fuel, May 2019	-2,912.80	-2,912.80
	06/25/2019	7336	Office Depot	Account 34585368	-98.39	-98.39

Palos Verdes Peninsula Transit Authority
Checks Written for
April-June 2019

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Original Amount</u>	<u>Paid Amount</u>
06/25/2019	7337	PVPUSD	Utilities	-175.20	-175.20
06/25/2019	7338	ReadyRefresh by Nestle	Account 0024293722	-12.03	-12.03
06/25/2019	7339	Statewide Traffic Safety and Signs	Bus Stop Sign replacement	-650.00	-650.00
06/25/2019	7340	Transit Information Products	Bus Schedule Design	-225.84	-225.84
06/25/2019	7341	Trillium Solutions	Google Transit Feed	-1,200.00	-1,200.00
06/25/2019	7342	Wells Fargo	Acct 4484610008047386	-58.25	-58.25
06/25/2019	7343	White Wings Cleaning Service	Office Cleaning	-220.00	-220.00
06/25/2019	7344	Xerox	Account 719892051	-318.32	-318.32
06/25/2019	7345	Nanseas Mehlert	Dial-A-Ride Refund	-114.00	-114.00
06/30/2019	7346	City of Rolling Hills	Proposition A Assignment Agreement, April 18, 20	-56,250.00	-56,250.00
06/30/2019	7347	Mobility Advancement Group	Administrative Services for June 2019	-17,345.27	-17,345.27
06/30/2019	7348	Clean Energy	Invoice CE12206690	-17,725.39	-17,725.39
					<u><u>-111,137.73</u></u>

Jun 19

MEMORANDUM

TO: AUTHORITY MEMBERS

FROM: Martin Gombert, Administrator

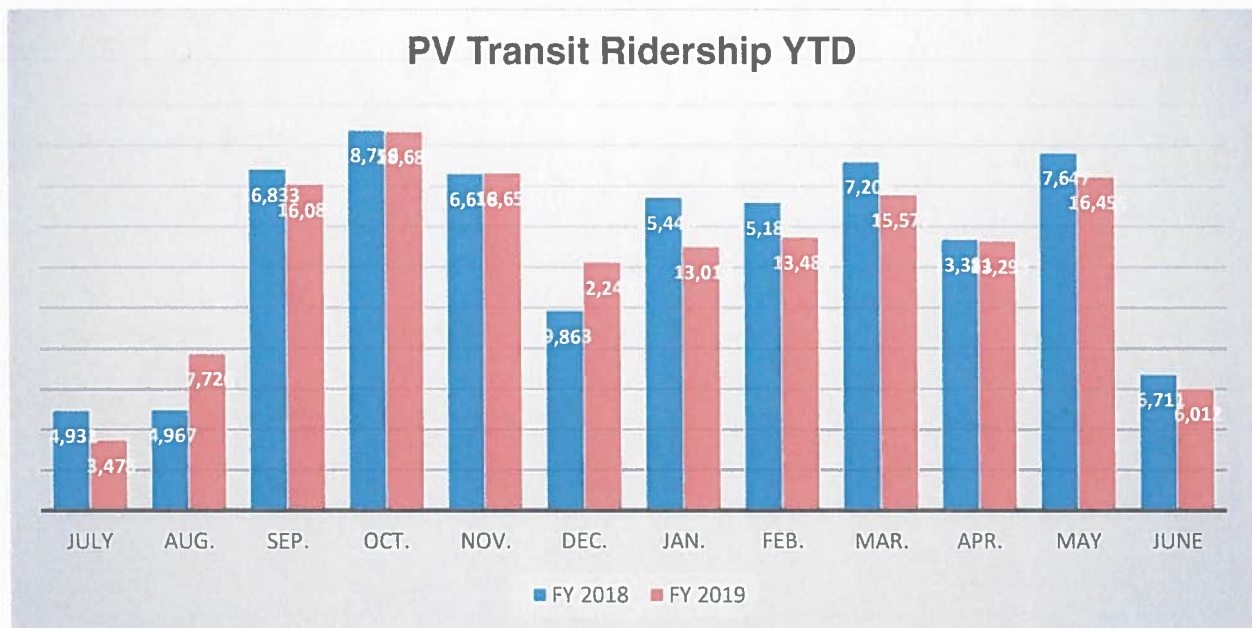
DATE: July 14, 2019

SUBJECT: Operations Report for the period ending June 30, 2019.

PV TRANSIT

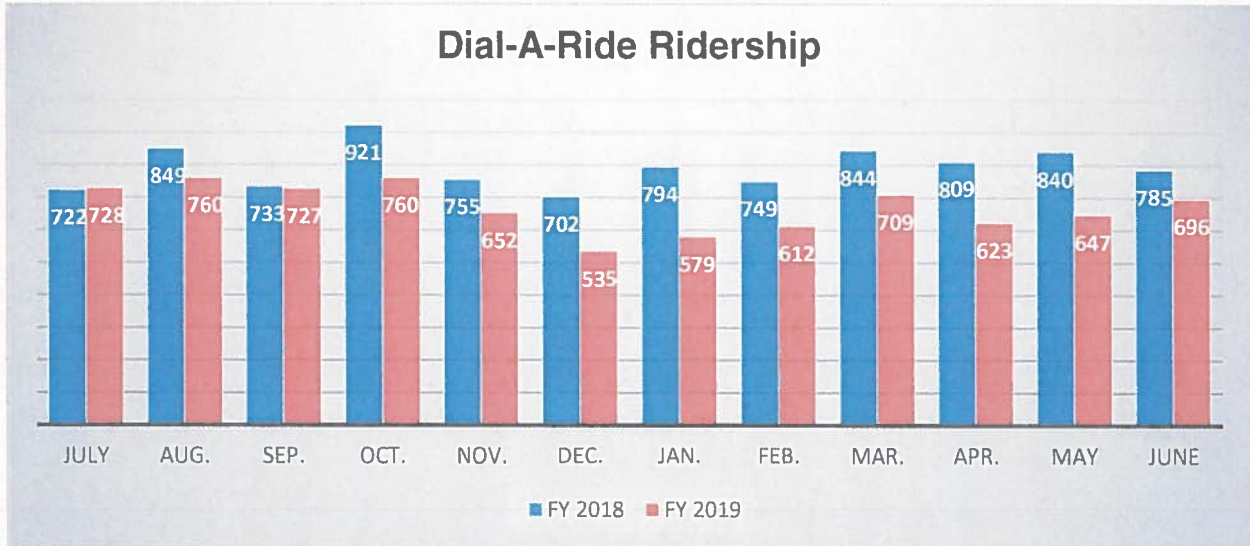
PV Transit ridership totaled 152,796 for Fiscal Year 18-19, a 3% decrease over previous years totals.

Copies of ridership graphs for all seven routes are included at the end of this report.



DIAL-A-RIDE

Dial-A-Ride ridership totaled 8,028 for Fiscal Year 18-19, an 16% decrease over previous year's totals. Ridership was negatively impacted by the heavy rains earlier in the year.



GOVERNMENT RELATIONS

During the past three months staff has attended meetings of Metro's Local Transit Service Subcommittee (LTSS), Access Services Board Meetings, South Bay Cities Council of Governments, and Metro's Bus Operations Subcommittee (BOS).

SERVICE UPDATE

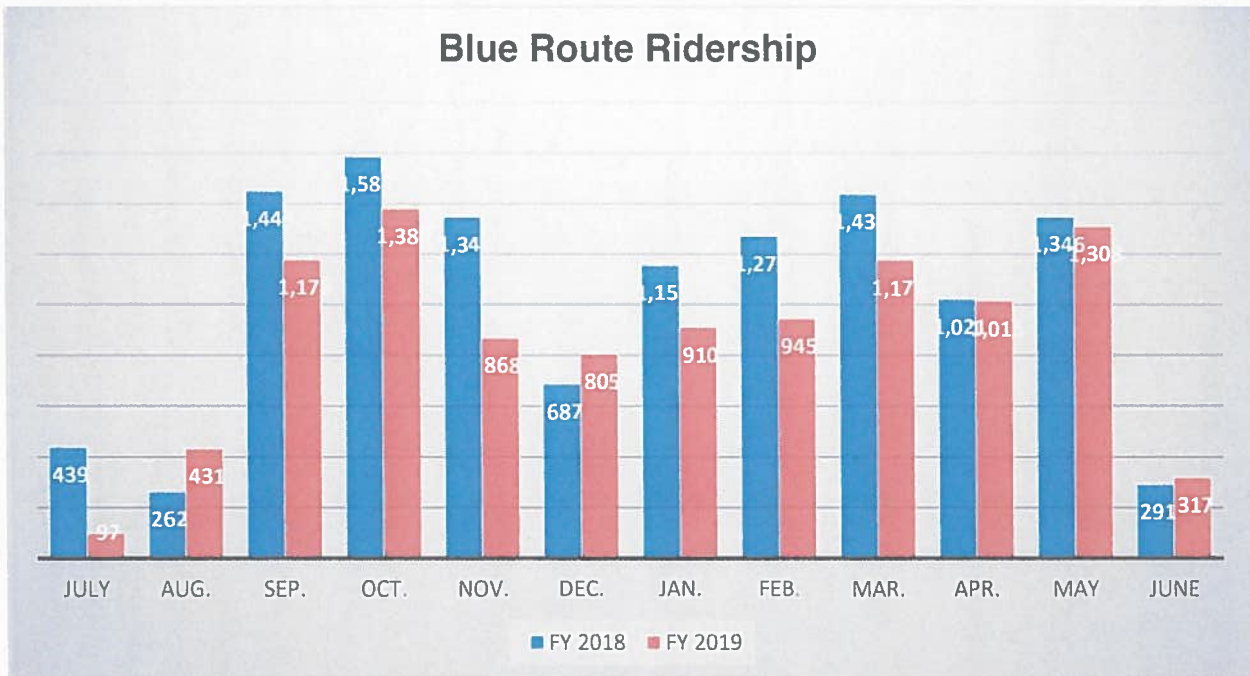
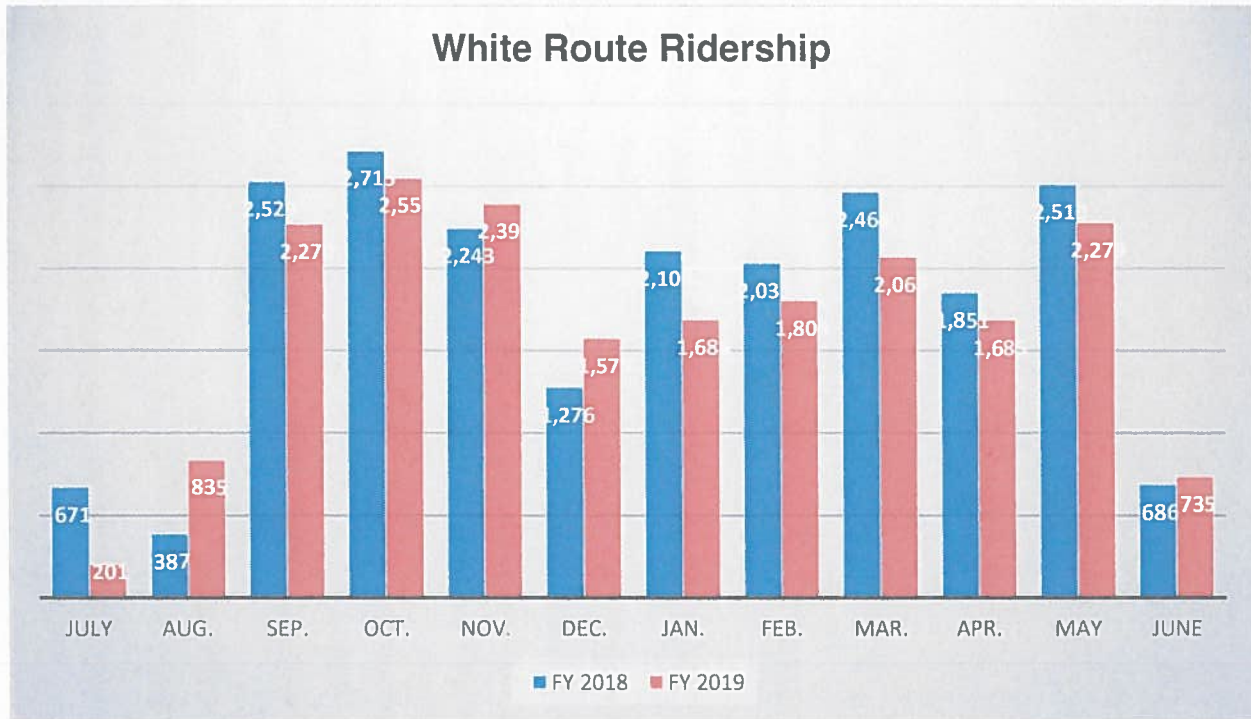
Summer bus service has been well received and will conclude on July 19th. Staff is currently preparing for Fall Service, which begins on August 28th. We will be attending several events at local intermediate schools in August as well as conducting outreach at Fort MacArthur to publicize the new service.

PV Transit operated charter service for the PV Street Faire on June 8th and 9th as well as the 4th of July event at Rancho Palos Verdes. Several thousand customers were transported at both events.

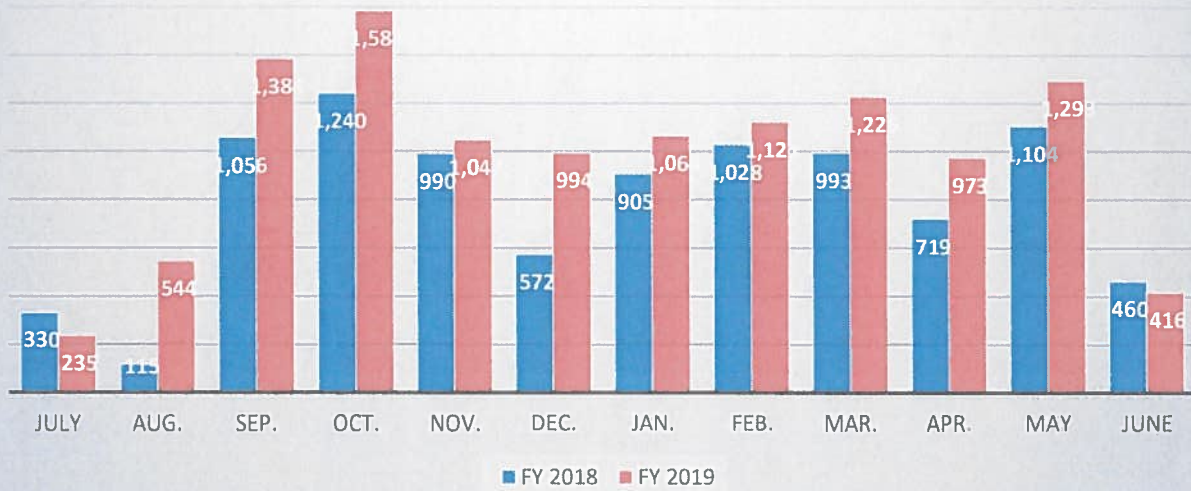
RECOMMENDATION

Receive and file report.

RIDERSHIP REPORTS



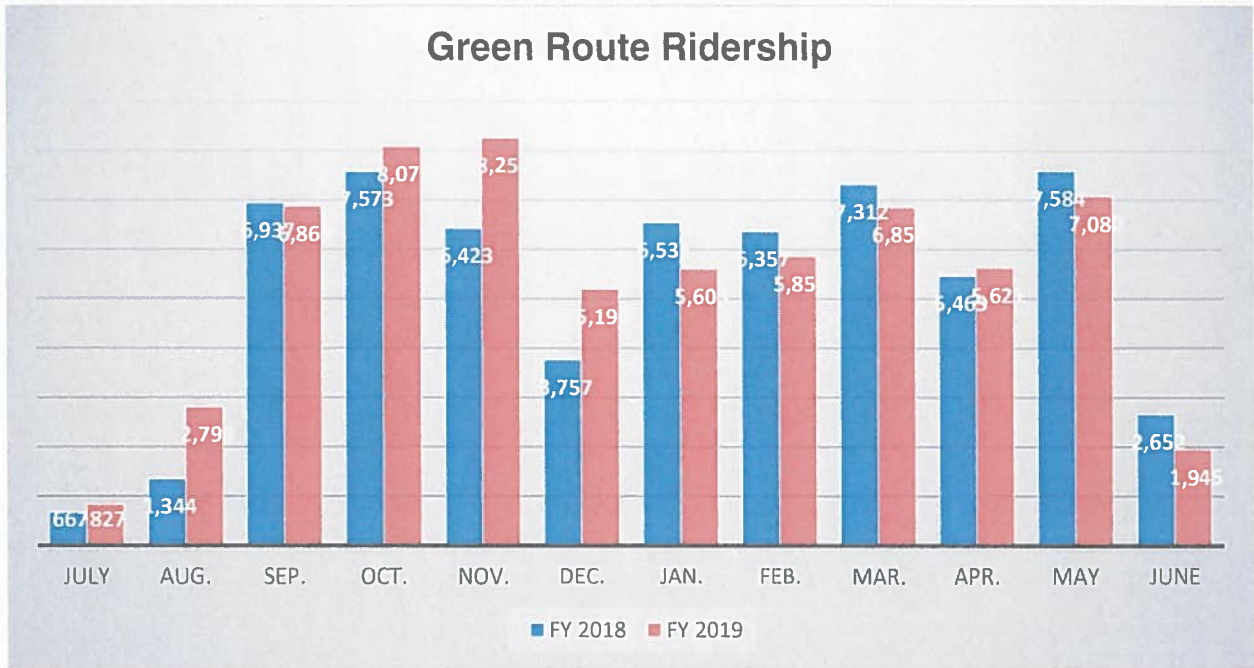
Silver Route Ridership



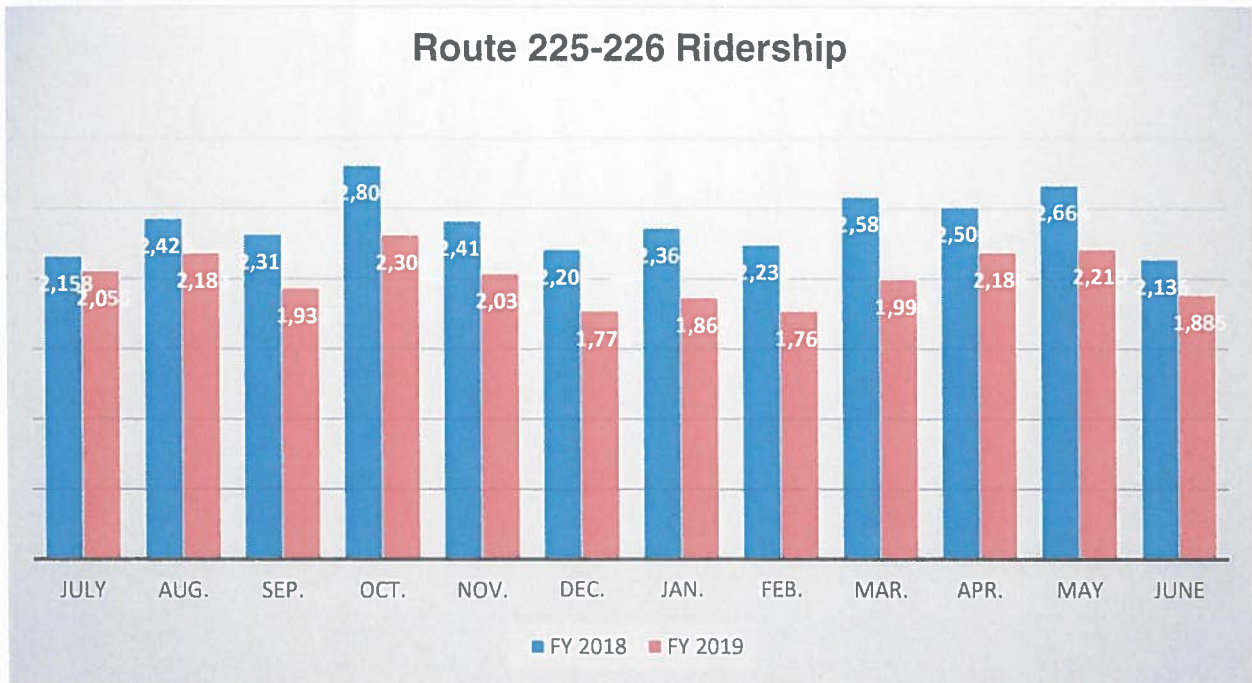
Gold Route Ridership



Green Route Ridership



Route 225-226 Ridership



MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: July 14, 2019
SUBJECT: Financial Statements for the period ending June 30, 2019

We are currently in the process of closing FY 2018-19 and will distribute the Financial Statements to Board Members when they are completed.

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: July 14, 2019
SUBJECT: Title VI Program

This item will be presented at the next Board Meeting. Staff is reviewing the draft Title VI program with Metro on July 25th.

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: July 11, 2019
SUBJECT: Proposition A Fund Exchange with the City of Cudahy

BACKGROUND

Over the past five years the Authority has approved seven Proposition A Fund Exchanges with the City of Cudahy.

Staff recently contacted the City to see if they were interested in another fund exchange. The City of Cudahy proposed to exchange \$449,000 in Proposition A Local Return Funds for \$336,750 in general funds¹.

A copy of the Agreement is attached. The Cudahy City Council is scheduled to approve this Agreement at their August 20, 2019 meeting.

FINANCIAL IMPACT

The exchange of funds will increase the Authority's revenue for FY 2019-20 by \$112,250.

The Authority has sufficient reserves to complete the fund transfer.

RECOMMENDATION

Staff recommends that the Board approve the Proposition A Assignment Agreement with the City of Cudahy.

¹ The Authority will assume these funds came from the \$336,750 in fare revenue collected in FY 19 and FY 20.

PROPOSITION 'A' FUND EXCHANGE AGREEMENT

This Fund Exchange Agreement (Agreement) is made and entered into this 20th day of August 2019, by and between the Palos Verdes Peninsula Transit Authority (PVPTA) and the City of Cudahy, with respect to the following facts:

- A. The PVPTA operates a municipal transit system and has a need for additional Proposition A Local Return funds to assist in the financing of its fixed route transit operations, and to provide funds for acquisition of a new transit related equipment.
- B. The City of Cudahy has an accumulation of uncommitted Proposition A Local Return funds which could be made available to the PVPTA to assist in providing the project described in Paragraph A of this Agreement.
- C. In exchange for the transfer by the PVPTA of the amount of its general funds indicated in Section 1 below, the City of Cudahy is willing to transfer uncommitted Proposition A Local Return funds to the PVPTA for the purpose identified in Paragraph A.
- D. The Los Angeles County Metropolitan Transportation Authority approved this Fund Exchange and the PVPTA's project description Form (Form A) covering the services discussed in Paragraph A above.

NOW THEREFORE, in consideration of the mutual benefits to be derived by the parties and of the premises herein contained, it is mutually agreed as follows:

1. Exchange. The City of Cudahy shall transfer \$449,000 of its Fiscal Year 2019-2020 uncommitted Proposition A Local Return funds to the PVPTA. In return, the PVPTA shall transfer \$336,750 in general funds to the City of Cudahy.
2. Consideration. The City of Cudahy shall transfer the agreed upon Proposition A Local Return funds to the PVPTA in one (1) lump sum payment no later than December 31, 2019. The PVPTA shall transfer the agreed upon general funds to the City of Cudahy in one (1) lump sum payment no later than December 31, 2019.
3. Term. This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.
4. Termination. Termination of this Agreement may be made by either party prior to the transfer of funds pursuant to Section 2 of this Agreement, so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination.
5. Notices. Notices shall be given pursuant to this Agreement by personal service on the party to be notified, or by written notice upon such party deposited in the custody of the United States Postal Service addressed as follows:

Jose E. Pulido, City Manager, c/o Steven Dobrenen, Finance Director
5220 Santa Ana St., Cudahy, California 90201.

Mr. Martin Gombert Administrator
PVPTA P.O. Box 2656 Palos Verdes Peninsula, California 90274

6. Assurances.

a. The PVPTA shall use the assigned Proposition A Local Return Funds only for the purpose of providing the project discussed in Paragraph A of this Agreement and within the time limits specified in Metropolitan Transportation Authority's Proposition A Local Return Program Guidelines.

b. Concurrently with the Execution of this Agreement, the PVPTA shall provide the Metropolitan Transportation Authority with the Standard Assurances and Understandings Regarding Receipt and Use of Proposition A Funds specified in the Guidelines regarding the use of the assigned Proposition A Local Return Funds.

7. Entire Agreement. This Agreement constitutes the entire understanding between the parties, with respect to the subject matter herein. This Agreement shall not be amended nor any provisions or breach hereof waived, except in writing signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Fund Exchange Agreement to be executed by their respective officers, duly authorized, on the day and year written above.

PALOS VERDES PENINSULA TRANSIT

CITY OF CUDAHY

By: _____
Chairperson

By: _____
Mayor

Attest:

Attest:

Martin Gombert, Administrator

Richard Iglesias, Assistant City Clerk

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: July 11, 2019
SUBJECT: Capital Improvement Program

INTRODUCTION

Staff is proposing to purchase one new small transit bus to replace existing equipment.

ANALYSIS

Replacement Bus

It is recommended that the Authority purchase one replacement bus through the MBTA/CalACT Cooperative Bid (RFP #15-03). The Cooperative is the development of a **Local Government Purchasing Schedule** as defined in the Federal Transit Administration's (FTA) Circular 4220.1F Chapter V, Part 4.

The new bus would replace vehicles 1042. This vehicle was purchased in 2008 and has exceeded its useful life span.

A summary of vehicle specifications is shown below:

- Make and Model: Startrans, 27.5 Foot
- Twenty-two passenger capacity
- Wheelchair Lift with seating positions for two wheelchairs
- Powered by compressed-natural-gas (CNG)
- Electronic Destination Signs
- Bike Racks

Detailed vehicle specifications and drawings are attached.

FINANCIAL IMPACT

Shown below is the estimated cost and funding source for the replacement vehicle purchase. A quote for the proposed purchase is attached to this report.

Replacement Bus

Price	\$169,279
Number	1
Subtotal	\$169,279
Contingency	\$8,463
TOTAL	\$177,742

Funding Source

Capital Reserves **\$177,742**

There are sufficient capital reserves to fund this project.

RECOMMENDATION

Approve the capital improvement program consisting of the purchase of one (1) replacement bus from Creative Bus Sales (quote dated 5-12-19) for a price not to exceed \$169,279.30 plus a project contingency of 5%.



Creative Bus Sales

13501 Berson Avenue Chino, CA 91710 800.326.2877

Creative Bus Sales
The Nation's Largest Bus Dealer
(888) 633-8380

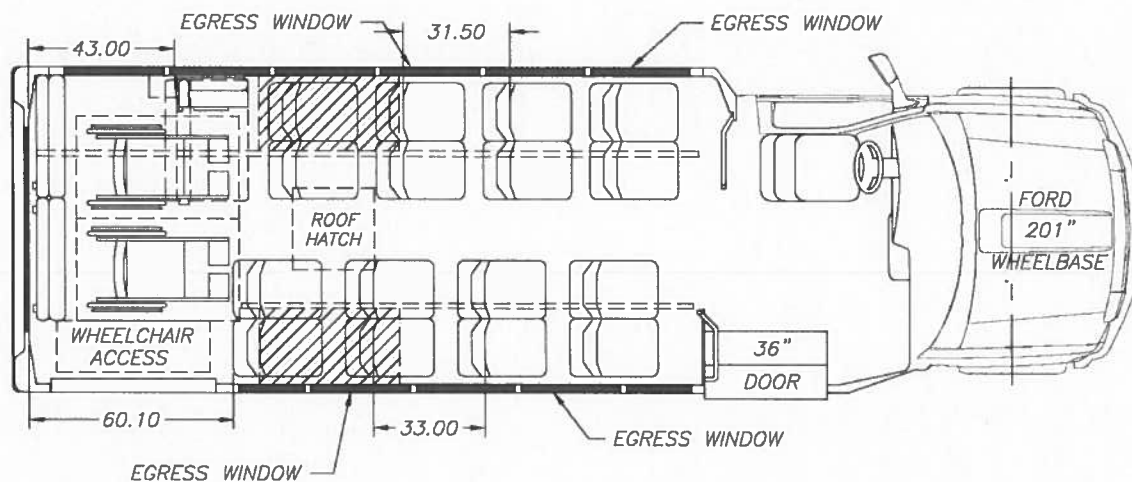



CaIACT RFP #15-03 - Class E Ford (F550) - Quote Sheet (4/28/2018 Pricing)

Vehicle Type:	Class E - Ford (F550) Medium Duty	Ford GPC #:		
Contact:	Martin Gombert	Type of Lift:	<input checked="" type="checkbox"/> Braun <input type="checkbox"/> Ricon	
Agency:	Palos Verdes Peninsula Transit Authority	Lift Location:	<input type="checkbox"/> Front <input checked="" type="checkbox"/> Rear	
Address:	38 Crest Road West	Seat Material D-90:	<input checked="" type="checkbox"/> Vinyl <input type="checkbox"/> Cloth	
City, State, Zip:	Rolling Hills, CA 90274	Seat Color:		
Phone:	(310) 544-7108	Reflective Stripes:	<input type="checkbox"/> Yes (2) 5" <input type="checkbox"/> No	
Fax:		Stripe Color:		
E-Mail:	pvtransit@palosverdes.com	Salesperson:	Don White	
Quantity:	Description	Price	Ext. Price	ADA
1	Class E - Ford (F550) - Startrans (27')	\$94,909.95	\$94,909.95	\$9,200.00
Published Options				
1	AM/FM/CD Per Spec	\$485.87	\$485.87	
1	Spare Tire - (Loose, Full Size, To Match OEM Chassis)	\$0.00	\$0.00	
1	Freedman Foldaway Seat - (Double)	\$1,133.69	\$1,133.69	\$1,133.69
2	Freedman Flip Seat - (Double)	\$691.01	\$1,382.02	\$1,382.02
1	Drivers Seat - USSC G2E	\$0.00	\$0.00	
1	Roof Vent - (Transpec 1070)	\$534.45	\$534.45	
1	Telma Driveline Brake Retarder	\$9,771.29	\$9,771.29	
1	Sportworks Bike Rack - (Black 2-Bike)	\$2,159.40	\$2,159.40	
1	Dialight Exterior LED	\$728.80	\$728.80	
1	"Stop Request" System - (w/ADA Buttons on Seat & WC/Sign/Chime)	\$1,619.55	\$1,619.55	\$1,619.55
1	Hanover Electronic Signs - (Front / Side)	\$4,750.68	\$4,750.68	\$4,750.68
1	CNG Conversion - (35gge)	\$19,650.54	\$19,650.54	
1	Amerex Fire Suppression System - (AFSS)	\$4,048.88	\$4,048.88	
1	TransAir TA77R90 Super 13 with R90 Roof Mount Condensers	\$2,857.96	\$2,857.96	

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Non-Published Options				
1	CNG Conversion - <i>(Increase to 45ggs)</i>	\$8,300.00	\$8,300.00	
1	Mor/Ryde Suspension System	\$1,150.00	\$1,150.00	
1	Braun - Century Lift - <i>(Standard)</i>	\$0.00	\$0.00	\$0.00
1	Lift - Pad Cover	\$395.00	\$395.00	\$395.00
		Class E F550 - Base Price	\$94,909.95	
		Published Options	\$49,123.13	
		Non-Published Options	\$9,845.00	
		Total	\$153,878.08	\$18,480.94
		Doc Prep Fee	\$85.00	
The Non-Taxable Amount is the ADA Equipment In the Base and Added as Options		Non-Taxable	\$18,480.94	
The Taxable Amount Includes the Mobility Rebate of \$1,000.00 For Ford Chassis		Taxable Amount	\$136,482.14	
Palos Verdes/Peninsula		Tax Total	\$12,965.80	9.500%
		Sub-Total	\$166,928.88	
		CalACT Fee	\$2,308.17	
		DMV E-File Fee:	\$30.00	
		DMV Fee	\$0.00	<i>(Estimated)</i>
		Tire Fee	\$12.25	
		Local Delivery	\$0.00	0
		Total	\$169,279.30	<i>Insert Miles</i>
		Number of Units	1	
		Final Total	\$169,279.30	
Local Delivery Up To 100 Miles at No Charge				



Eldorado National 
 — a THOR company — 1655 WALL STREET SALINA, KS. 67401

TITLE:
 AERO ELITE FORD 550 - 270
 36" ENTRY DOOR / WC DOOR (REAR)

UNIT NUMBER: AEF2711-SM03

PAGE: 1 of 1

DO NOT SCALE DRAWING	DRAWING INFORMATION				
THIS DRAWING IS THE PROPERTY OF ELDERADO NATIONAL COMPANY, A THOR INDUSTRIES COMPANY AND IS NOT TO BE DUPLICATED OR USED IN ANY WAY DETRIMENTAL TO THEIR BEST INTEREST. REV. 03/10	DRAWN: MILLER	CKD:			
	DATE: 10/22/10	SIZE: A			
	SCALE: 1/42	WGT:			
	TOLERANCE UNLESS SPECIFIED				
SEAT SPACING ± 1.0 (SEAT SPACING NOT TO BE LESS THAN 28.5)			JPM	10/22/10	RELEASE TO PRODUCTION
RESTRAINTS ± 1.0 (W/C POSITIONS NOT TO BE SMALLER THAN 30 X 48)			REV. BY	DATE	DESCRIPTION

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MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: July 11, 2019
SUBJECT: Annual Audit Services Agreement

BACKGROUND

In prior years, Macias Gini & O'Connell LLP (MGO) has been performing the Authority's audit service, which include the annual audit and preparation of the State Controller's reports. However, MGO decided not to renew the agreement for further services to the Authority.

The City of Rolling Hills Estates recently issued a Request for Qualifications for a new audit firm and selected Rogers, Anderson, Malody and Scott, LLP (RAMS) to perform the City's annual audit and associated services. The Rolling Hills Estates City Council approved the Audit Services Agreement with RAMS at the June 11, 2019 meeting.

Given that the City of Rolling Hills Estates had conducted a thorough RFQ process, the Authority decided to requested a quote for audit services from RAMS.

RAMS reviewed our previous audit documents prepared by MGO and submitted the attached proposal for audit services.

FINANCIAL IMPACT

The proposed cost of the FY 18-19 Audit is \$20,190. This amount is included in the Authority's FY 19-20 budget.

RECOMMENDATION

It is recommended that the Authority approve the agreement and rates for the CPA firm of Rogers, Anderson, Malody & Scott, LLP to perform the annual audit for the Palos Verdes Peninsula Transit Authority.

Attachment:

July 10, 2019 Letter from Rogers, Anderson, Malody & Scott, LLP

*PALOS VERDES PENINSULA
TRANSIT AUTHORITY*

Proposal for Professional Services

For the fiscal year ending June 30, 2019

Submitted by:

ROGERS, ANDERSON, MALODY & SCOTT, LLP

Certified Public Accountants

License #2596

FEIN 95-2662063

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San Bernardino, California 92408
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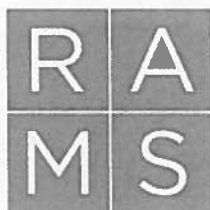
July 10, 2019

CONTACT: SCOTT MANNO, PARTNER

smanno@ramscpa.net

ALTERNATE CONTACT: BRAD WELEBIR, PARTNER

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948



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July 10, 2019

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Palos Verdes Peninsula Transit Authority
Martin Gombert, Administrator

Dear Mr. Gombert:

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)
Kirk A. Franks, CPA (Partner Emeritus)

DIRECTORS

Jenny Liu, CPA, MST

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Jin Gu, CPA, MT
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA

I am pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP, (RAMS) to your request for a proposal for professional auditing services. Our goal for the past 71 years has been to provide honest, accurate, objective results to all of our clients, including government agencies such as yours. Our success in this effort is witnessed by both the growth of our firm and the list of long-term clients who trust us.

At RAMS, we are committed to achieving the highest quality services possible. We understand the complexity of performing nonprofit and governmental attest services and that's why we have a *dedicated team of professionals* that possess the specialized knowledge and experience to help ensure compliance with changes in regulations that may impact your organization. We plan and execute our services in a way that maximizes efficiency and effectiveness and provides you the highest quality services.

We are aware that the Palos Verdes Peninsula Transit Authority (the Authority) has other proposals to consider. We believe that RAMS would be the appropriate choice for the audit engagement for the following reasons, which are provided in more detail in our proposal. Our firm:

- Utilizes *Teammate Analytics*, a suite of more than 150 Computer Aided Audit Tools (CAATs). This software empowers our audit teams with the ability to perform powerful, meaningful data analysis which builds upon our other value added services. *Teammate Analytics* also helps to identify specific transactions which may be indicative of fraud.
- Using our CAAT, performs a risk based audit which enables us to focus on key audit areas allowing us to become more efficient typically resulting in lower audit fees.
- Provides auditing services to over 50 governmental agencies and not-for-profit organizations, including over 20 cities, most of which have enterprise activities.
- Understands the audit process, as a whole, can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit period. We make every effort to ensure the audit process, from the interim fieldwork to the preparation of the required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this through comprehensive planning of the audit and utilizing our staff in the most efficient and effective manner while keeping disruptions and miscommunications to a minimum.

MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

Employee Benefit Plan
Audit Quality Center

California Society of
Certified Public Accountants

- Has audit team members that are personable and easy to work with. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service and products.
- Provides extensive training and continuing education to all of our audit staff through a combined use of in-house instruction and third-party providers. Our audit team members are experienced with and receive regular training in performing Single Audits in accordance with Federal OMB *Uniform Guidance*.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.
- Has an extensive internal quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, *each report is also examined by 2 partners and 2 professional proofreaders.*
- Is a full service firm, with specialists in auditing, reviews and compilations, tax planning, and preparation, as well as business consulting. The diverse experience and accessibility of the professionals in these areas help us to provide a comprehensive approach to a wide variety of needs.
- Believes that our fee estimate and arrangement provides a fair and reasonable cost, commensurate with the experience of the audit team members, to perform the annual audit services for the Authority.


As stated above, our firm has an established reputation in the governmental and nonprofit accounting and auditing community for providing excellent, timely service and high quality reporting to our clients. We make the process as seamless and easy as possible for you, and will be committed to meeting the established deadlines.

We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, bwelebir@ramscpa.net or smanno@ramscpa.net.

Thank you for the opportunity to present our proposal to your organization. Please contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Scott W. Manno, CPA, CGMA
Partner

PALOS VERDES PENINSULA TRANSIT AUTHORITY

PROPOSAL FOR PROFESSIONAL SERVICES

Affirmative statements

License to practice in California

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. The key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and are in compliance with all applicable Board of Accountancy standards.

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of Palos Verdes Peninsula Transit Authority, as defined by general standard number two of the generally accepted auditing standards.

We are also independent of Palos Verdes Peninsula Transit Authority, as defined by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards* (2011).

Certifications

Rogers, Anderson, Malody & Scott, LLP and its partners are not debarred, suspended, proposed for debarment, declare ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency.

Firm qualifications and experience



RAMS was founded in 1948 and is located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California and offers the full range of services expected of a full service accounting firm. We are one of the oldest and most trusted and respected CPA firms in Southern California, with over 71 years of public practice experience, specializing in governmental agency and nonprofit organization auditing, accounting and management advisory services. Over *nineteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, nonprofit organizations and joint power authorities.

We understand that organizations desire that its auditor have a thorough understanding of the complex accounting and compliance issues confronting organizations such as yours. Our firm has a long history of governmental and nonprofit accounting and auditing. Over the years, we have gained valuable experience, acquired in-depth knowledge, and obtained the technical expertise needed for governmental and nonprofit accounting and auditing. This expertise has enabled us to provide exceptional, high quality service and to provide solutions at fees we feel represent our value to our clients. In addition, we use our participation in various industry associations to continuously update our knowledge with respect to issues relating to governmental and nonprofit accounting, auditing and operations. Any insight we gain is immediately passed on to our clients if we feel they will benefit from it.

Our firm has a total staff of thirty-four people, which includes fifteen certified public accountants. The staff consists of five partners, one director, four managers, eight supervisors/senior accountants, eleven staff accountants and five support staff. The engagement team assigned to the organization's engagement will consist of the following full-time staff: one partner, one manager, one audit supervisor/senior and one to two staff. All personnel are located in our San Bernardino office.

PALOS VERDES PENINSULA TRANSIT AUTHORITY

PROPOSAL FOR PROFESSIONAL SERVICES

Firm qualifications and experience (continued)

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has participated in "Peer Review" since 1993 and has been examined every three years since that date. Participation in this program ensures that all of our engagements meet the standards of the AICPA, the Yellow Book and the California State Board of Accountancy. Throughout our participation in this program, the firm has received pass ratings from the peer reviewers. The latest review below included reviews of specific governmental entities.

During the current review, an independent firm reviewed our policies and procedures and then inspected a representative sample of engagement workpapers and reports, including governmental entities and engagements subject to OMB A-133. For the year ended November 30, 2017, our firm received a rating of *pass* which indicates our auditing practice is suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable standards. The results provide confirmation that the custom audit approach and procedures we use are technically sound and in compliance with applicable standards.

The firm is not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

Disciplinary action

The firm **has never** had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations.

Our firm does not have a record of substandard work.

In addition to the external quality control review, our firm performs in-house peer reviews over our audit and attest engagements annually.

Equal Opportunity Employer

Our firm is an equal opportunity employer and is committed to providing employment opportunities to all qualified persons regardless of race, color, sex, religion, national origin or handicap. Our staff represents a wide range of cultures and ethnic backgrounds. We provide opportunities for advancement for all staff based on ability, skill and desire to advance.

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

May 15, 2018

To the Partners of Rogers, Anderson, Malody & Scott, LLP and the Peer Review Committee of the California Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



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PALOS VERDES PENINSULA TRANSIT AUTHORITY

PROPOSAL FOR PROFESSIONAL SERVICES

Partner, supervisory and staff qualifications

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement, and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and nonprofit entities operate. Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental and nonprofit accounting and auditing along with a broad business perspective. Each member will have access to a wide range of technical resources and knowledge bases which will enable them to provide the organization with practical observations and effective solutions.

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the services is a key aspect of the overall engagement process.

Assigned personnel

Scott W. Manno, CPA, CGMA - Partner, Engagement Partner

Scott is a partner with the firm and will serve as the engagement partner. He is licensed to practice as a certified public accountant in the State of California. Scott has 23 years of public accounting experience and has provided accounting, auditing, consulting, and tax services for nonprofit organizations, government entities, and various for profit companies. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. Scott will directly oversee all engagement staff while assisting in planning and performing the engagement as well as reviewing all workpapers prepared during the engagement, in addition to all required reports.

Brad A. Welebir, CPA, CGMA, MBA - Partner Quality Control Reviewer

Brad is a partner with the firm and will be the quality control review partner. He will serve as the alternate contact for the engagement. He is licensed to practice as a certified public accountant in the State of California. He has been in public accounting for 15 years specializing in serving local governments and nonprofit organizations. As the quality control review partner, Brad will provide additional technical consultation and support to the engagement team, and will review all required reports.

Gardenya Duran, CPA, CGMA- Engagement Manager

Gardenya is an audit manager with the firm. She is licensed to practice as a certified public accountant in the State of California. Gardenya has over 8 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various nonprofit organizations. Gardenya will work directly with Scott and Brad while supervising the engagement team during all phases of the engagement. In addition, she will oversee the preparation of any required reports.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our team has another attribute that is very important, even though it is intangible -- the professionals assigned to the engagement have previously worked together as a multi-disciplined team, thus ensuring smooth, efficient and effective service to your organization.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
PROPOSAL FOR PROFESSIONAL SERVICES

Proposed fee

Below are our proposed fees for a three one year engagements, with a possible two one year extensions.

<u>Service</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Audit and financial statement preparation	<u>\$ 20,190</u>	<u>\$ 20,190</u>	<u>\$ 20,760</u>	<u>\$ 20,760</u>	<u>\$ 21,310</u>