

Request for Proposals

RFP S20032

**VTA Auditor General and Internal Audit Services**

March 12, 2020

Carolyn Vargas, Contract Administrator II

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INTRODUCTION: The Santa Clara Valley Transportation Authority, also known as VTA, is the result of a 1995 merger between two previously separate entities: the Santa Clara County Transit District and the Congestion Management Agency for Santa Clara County. VTA is an independent special district responsible for bus and light rail operations, congestion management, specific highway improvement projects and countywide transportation planning. As such, VTA is both an accessible transit provider and multi-modal transportation planning organization involved with transit, highways, roadways, bikeways, and pedestrian facilities. Working under the direction of a 12-member Board of Directors (“Board”), VTA’s annual operating budget is approximately $400 million, and its currently approved capital program is approximately $1 billion. VTA’s bus fleet of 505 buses serves a 346 square mile urbanized service area and operates approximately 18 million miles annually. The 42.2-mile light rail system is served by 99 rail cars and 5 historic trolley cars and operates approximately 2.2 million miles annually. VTA employs approximately 2,050 people, of whom approximately 650 are administrative, clerical and professional positions and 1,400 are operators and maintenance positions. There are four operating/maintenance facilities located within Santa Clara County. The administrative headquarters is located separately from these four facilities.

For more information about VTA, log on to www.VTA.org.

**ABOUT RFP S20032:** VTA seeks proposals from qualified Certified Public Accountant (CPA) firms to provide auditor general, internal audit, and business consultative services (“Services”) for a minimum four (4) year period. VTA is seeking flexible, responsive firms with proven transportation experience and strong knowledge and experience with the local area to serve as its Auditor General’s Office.

VTA’s Auditor General (AG) program, which is an outsourced function, is responsible for assisting the VTA Board of Directors in fulfilling its fiduciary responsibilities of overseeing risks and controls in financial reporting, financial integrity, program activities, reputation and public perception of the organization. The AG firm reports directly to the Board, is overseen by the Governance & Audit Committee, has an administrative reporting relationship to the General Manager/CEO, and works cooperatively with VTA staff.

The Auditor General program provides independent, objective assurance, audit, and business consultative services designed to add value to and improve VTA operations. It helps VTA accomplish its objectives by bringing a systematic, disciplined and cooperative approach to evaluating and improving the effectiveness of risk management, control, and operational processes.

The VTA Auditor General, as well as other positions of the Auditor General’s firm that participate in making governmental decisions (as determined by VTA), *will be required to file a Form 700*, the financial disclosure form mandated by the California Fair Political Practices Commission.

**NOTICE TO PROPOSERS OF LIMITATION OF FUTURE CONTRACTING**: The Proposer(s) selected under this RFP will be precluded from submitting proposals or bids as a prime contractor or subcontractor for any future procurement with VTA if the specifications, requirements, scope of services, and/or RFPs for such work were developed or influenced by the work performed under the contract resulting from this RFP. Further, if a contractor or subcontractor obtains or has access to nonpublic information related to a future RFP through work performed under this RFP, that contractor or subcontractor may be barred from submitting proposals as a prime contractor or subcontractor on that future RFP.

**NOTICE TO PROPOSERS OF REQUIREMENT TO AVOID CONFLICTS OF INTERESTS:** Contractors and subcontractors performing work resulting from this RFP are required to avoid conflicts of interest resulting from services provided to VTA through other engagements. In particular, contractors and subcontractors providing services under any engagements that developed or influenced the requirements, scope of services, or criteria for this RFP are ineligible to participate in the work resulting from this RFP. Contractors and subcontractors providing services under such engagements that involve the supervision, oversight, review, critique, or acceptance of work products under this RFP are also ineligible to participate in the work resulting from this RFP.

Similarly, contractors and subcontractors who have or who have had access to nonpublic information related to this RFP may have a conflict of interest and should refrain from participating in the work resulting from this RFP.

Contractors and subcontractors proposing to provide services under this RFP remain responsible for avoiding conflicts of interest and must review their existing VTA engagements with their prospective teaming partners before submitting proposal under this RFP to assure that conflicts of interest are avoided. Contractors and subcontractors performing work resulting from this RFP must continue to monitor for and avoid conflicts of interest at all times.

In addition to contractors’ and subcontractors’ obligations to avoid conflicts of interest, VTA also monitors for potential conflicts. VTA reviews all potential conflicts, whether actual or apparent, on a case-by-case basis. VTA reserves the right to determine whether an actual conflict exists in its sole discretion and to determine whether a potential conflict of interest exists in its reasonable discretion. Nothing in this RFP is intended to operate as a waiver of either actual or apparent conflicts.

1. INSTRUCTIONS **TO** **PROPOSERS**
2. **Procurement Schedule:** VTA’s procurement schedule dates are listed in Table 1 below. All dates set forth in this RFP are subject to change at VTA’s sole discretion and will be provided to firms submitting a Proposal under this RFP (“Proposers”) as an addendum. All references in this RFP to “time” are Pacific Time.

**Table 1**

|  |  |
| --- | --- |
| **ACTIVITY** | **DATE/TIME** |
| Issue RFP | March 12, 2020 |
| Deadline to Submit Questions | March 19, 2020 at 4:00 p.m. |
| Deadline to Submit Proposal | April 2, 2020 at 4:00 p.m. |
| Interviews | April 23, 2020 |

1. **Designated Point of Contact:** All communications with VTA regarding this RFP shall be in writing (US mail/ email) to the Designated Point of Contact identified below. All emails must indicate in the subject line “RFP S20032 for VTA Auditor General and Internal Audit Services.” No telephone calls will be accepted. Except as otherwise provided herein, no contact will be entertained by the Procurement, Contracts, and Materials Management staff outside of the formal Q&A period, and/or by anyone other than the Designated Point of Contact regarding this RFP.

Any unauthorized contact related to this RFP is not permitted. Any breach of this provision may result in the Proposer’s submittal being deemed non-responsive and may be cause for rejection.

The Designated Point of Contact for this procurement shall be as follows:

Carolyn Vargas, Contract Administrator II

Santa Clara Valley Transportation Authority

3331 North First Street, Building A

San Jose, California 95134

Email: Carolyn.vargas@VTA.org

1. **Examination of Proposal Documents:** By submitting a Proposal, the Proposer represents that it has thoroughly examined and become familiar with the work required under this RFP, and that it is capable of performing quality work to achieve VTA’s objectives.
2. **Addenda/Clarifications:** VTA reserves the right to make changes to these Request for Proposal documents as it may deem appropriate up until the date for submission of the Proposals (set forth in Table 1). Any and all changes to this RFP will be made by written addendum, which will be issued by VTA to all prospective Proposers who have registered and downloaded the Proposal documents at the VTA website. All addendum and other related materials will be posted to the VTA.org procurement site. Prospective Proposers will be notified by email when information has been posted to the VTA procurement site for this RFP. NOTHING RELIEVES PROPOSER FROM BEING BOUND BY ADDITIONAL TERMS AND CONDITIONS IN ADDENDA.

Questions or comments regarding this RFP must be submitted in writing and must be received by VTA no later than the date and time stated in Table 1. Email questions must be submitted to the Designated Point of Contact listed above and shall include “RFP S20032 QUESTIONS” in the subject line.

Responses from VTA will be published on the VTA online procurement website.

1. **Submission of Proposals:** All Proposals shall be submitted to the Designated Point of Contact no later than the date and time stated in Table 1.

The Proposer shall submit three (3) printed copies and one (1) copy of the Proposal in an electronic format in the form of a flash drive.

The package must bear the Proposer’s name and address, and be clearly labeled as follows:

“RFP S20032 VTA Auditor General and Internal Audit Services”

All responses, inquiries, and correspondence related to this RFP and all reports, charts, displays, schedules, exhibits, and other documentation produced by the Proposer submitted as part of the Proposal will become the property of VTA when received by VTA and may be considered public information under applicable law. Any proprietary information in the Proposal should be identified as such. VTA does not typically disclose proprietary information to the public, unless required by law; however, VTA cannot guarantee that such information will be held confidential.

1. **Withdrawal of Proposals:** A Proposer may withdraw its Proposal at any time before the expiration of the time for submission of Proposals as provided in this RFP by delivering to the Designated Point of Contact a written request for withdrawal signed by, or on behalf of, the Proposer.
2. **Rights of VTA:** VTA may investigate the qualifications of any Proposer under consideration, require confirmation of information furnished by the Proposer, and require additional evidence or qualifications to perform the Services described in this RFP.

VTA reserves the right to:

* Reject any or all Proposals.
* Issue subsequent Requests for Proposal.
* Postpone opening for its own convenience.
* Remedy technical errors in the Request for Proposal process.
* Approve or disapprove the use of particular subcontractors.
* Solicit best and final offers from all or some of the Proposers.
* Award a professional services contract to one or more Proposers.
* Waive informalities and irregularities in Proposals.
* Conduct interviews at its discretion.
* Accept other than the lowest offer.
* Negotiate with any, all or none of the Proposers.
1. **Contract Type:** It is anticipated that VTA will award a professional services contract (“Contract”). If awarded, the Contract will be a Task Order type with a term of four (4) years and include three (3) one-year options to extend to be exercised at the sole discretion of the Governance and Audit Committee, which yields a maximum contract potential term of seven (7) years. Compensation for each individual Task Order issued may be on a time and materials or firm fixed price basis. This RFP does not commit VTA to enter into such Contract nor does it obligate VTA to pay for costs incurred in preparation or submission of Proposals or in anticipation of entry into a Contract.
2. **Collusion:** By submitting a Proposal, each Proposer represents and warrants that its Proposal is genuine and not a sham, collusive or made in the interest of or on behalf of any person not named therein; that the Proposer has not, directly or indirectly, induced or solicited any other person to submit a sham Proposal or any other person to refrain from submitting a Proposal; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a Proposal.
3. **Audit Report/Requirements:** Proposers must agree to abide by the requirements in Chapter III, paragraph 4 of FTA Circular 4220.1F. Every Proposer that has been the subject of any audit report by any government or public agency or qualified independent CPA must attach with its Proposal the latest such audit report, including direct labor, materials, fringe benefits and general overhead.

Proposers must also agree to submit cost or pricing data in accordance with 48 CFR Part 15.408 Table 15-2.

1. **Economic Interest Form 700:** The Proposer’s key person as well as other positions within his or her firm, determined by VTA**,** to be participating in the making of governmental decisions will each be required to file a Form 700 the financial disclosure form mandated by the Fair Political Practices Commissions (FPPC). The Form 700 will be required to be filed upon execution of the Contract in which the VTA retains the services of the Proposer, annually thereafter, and upon separation of services pursuant to FPPC rules and regulations.
2. **INCORPORATION OF EXHIBITS AND ATTACHMENTS:** All exhibits, and attachments referenced in this RFP are incorporated herein by this reference.

# PROPOSER’S MINIMUM QUALIFICATIONS

1. **Required Minimum Qualifications:** The following qualifications are the minimum required qualifications that a Proposer must have in order for a Proposal to be considered. The Proposer:

**Firm (Auditor General Office)**

1. Must be a certified public accounting firm licensed to practice in the State of California.
2. Must have a demonstrated minimum seven (7) years of public accounting experience as an auditor for a public transportation or other governmental agency.
3. Must have a minimum of three (3) years of experience and comprehensive knowledge providing Auditor General or equivalent services for an organization comparable in size, complexity, and responsibilities to VTA.
4. Must have demonstrated experience auditing within Generally Accepted Governmental Auditing Standards (GAGAS), issued by the Governmental Accountability Office (GAO).
5. Must meet current GAGAS independence and continuing professional education (CPE) standards.
6. Must demonstrate that all staff that will be assigned to provide Auditor General Office services have the ability to communicate effectively and concisely, both verbally and in writing.

**Auditor General (Individual)**

1. In addition to meeting the indicated Minimum Qualifications indicated above for the Proposer firm, the individual that would serve as VTA Auditor General must:
	1. Be a certified public accountant licensed to practice in the State of California.
	2. Be an Audit Partner or equivalent with a minimum of five (5) years of experience in performing and/or supervising governmental internal audits. This must include a minimum of three (3) years of experience supervising audit staff.
	3. Demonstrate a minimum of three (3) years of experience and comprehensive knowledge acting in the capacity of an Auditor General or equivalent function that leads an internal audit function and that provides counsel and advice to the governing board of a public organization comparable to VTA.
	4. Possess the ability to analyze fiscal, operational and planning data, user and stakeholder concerns and reactions, and governmental regulations in order to identify, evaluate, prioritize VTA risk factors, and distill and communicate findings and counsel to the Board of Directors.
	5. Demonstrate the ability to communicate effectively and concisely, including verbally, written, and presenting at public meetings, to the Board of Directors and its committees, other elected officials, VTA Administration, and the general public.
2. **Preferred Qualifications:** The Proposer shall possess knowledge of regulations and codes regarding financial compliance and internal auditing for a public transportation or other governmental agency.
3. **STANDARDS OF WORK:** The Proposer shall:
4. Provide a copy of their most recent peer review report and related rating on whether the system of quality control for the firm’s accounting and auditing practice has been suitably designed and complied with.
5. Meet specific qualifications requirements imposed by federal, state and local law, rules and regulations.
6. Demonstrate the ability to perform audits in accordance with GAGAS and Statements on Auditing Standards issued by the American Institute of Certified Public Accountants (AICPA).
7. Develop proficiency in utilizing internal VTA information systems, programs, and applications that are reasonably necessary for the Auditor General’s work in order to achieve maximum self-sufficiency and independence in gathering and researching information.
8. Be thoroughly familiar with:
* Generally Accepted Government Auditing Standards issued by the U.S. Government Accountability Office (GAO).
* Statements of Governmental Accounting Standards issued by the Governmental Accounting Standards Board (GASB).
* Governmental Accounting, Auditing and Financial Reporting issued by the Government Finance Officers Association.
* Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management Integrated Framework.
* Governmental Accounting Standards Board Statements, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
* The most current guidelines for financial and compliance audits of federally, state and locally assisted programs.
* Federal Transit Administration standards for reporting data in the Federal Funding Allocations Statistics Forms.
* Test of Compliance, as required by California Administrative Code Title 21.
* VTA’s Administrative Code, currently available at: <https://www.vta.org/sites/default/files/2020-02/Admin%20Code_13DEC2019.pdf>

# EVALUATION AND SELECTION

1. **Evaluation Criteria:** The following criteria will be used to evaluate Proposals:

|  |  |
| --- | --- |
| **Qualification of the Firm** | **25 Points** |
| **Staffing and Project Organization** | **25 Points** |
| **Work Plan / Project Understanding** | **25 Points** |
| **Local Firm Preference** | **10 Points** |
| **Cost Proposal** | **15 Points** |

1. **Qualification of the Firm:** Qualifications to be considered include but are not limited to: technical experience in performing work of a closely similar nature; experience working with transit properties or other public agencies; record of completing work on schedule; strength and stability of the firm; technical experience and strength and stability of proposed subcontractors; and assessments by client references.
2. **Staffing and Project Organization:** Qualifications of project staff, especially the individual who will serve as Auditor General; key personnel’s level of involvement in performing related work; logic of project organization; adequacy of labor commitment; and concurrence in the restrictions on changes in key personnel.
3. **Work Plan / Project Understanding:** Proposer’s demonstrated understanding of the project requirements, potential problem areas, project approach and work plan, will be evaluated.
4. **Local Firm Preference:** Five (5) points shall be awarded if at least fifty percent (50%) of the dollar value of services to be rendered will be performed by a local firm. An additional point shall be awarded for each additional ten percent (10%) of the dollar value of services to be performed by a local firm, to a maximum point award of ten (10) points.
5. **Cost Proposal:** The reasonableness of the total price and competitiveness of this amount with other Proposals received; adequacy of data in support of figures quoted.
6. **Evaluation Procedure:** The review board will evaluate Proposals based on the pre-established criteria to determine the successful Proposer or establish a shortlist of firms to interview. VTA reserves the right to conduct interviews at its discretion.

Proposers are asked to keep the interview date stated in Section I, A Table 1 available in the event the review board conducts interviews. If invited to interview, VTA will notify Proposers regarding the schedule and other pertinent interview information. Typically, the interview is scheduled for one (1) hour and requires the project manager to be a lead participant.

The names of the review board members are not revealed prior to the interviews. The individual or composite rating and evaluation forms prepared by individual review board members are not retained by VTA and will not be revealed.

1. **Basis of Award:** When the review board has completed its work, negotiations will be conducted for the extent of services to be rendered.

Award may be made on the basis of initial Proposals submitted without any negotiations or discussions.

This is a “best value” procurement based on procedures consistent with California public contract code section 20301(a).  “Best value” is a selection process where the award is based on a combination of price and qualitative considerations.  A best value procurement requires tradeoffs between price and non-price factors to select the best overall value to VTA.

Subject to VTA’s right to reject any or all proposals, the Proposer whose Proposal is found to be most advantageous to VTA will be selected based upon consideration of the evaluation criteria.

Thus, VTA will make the award to the responsible Proposer whose Proposal is most advantageous to VTA.  Accordingly, VTA may not necessarily make an award to the Proposer with the highest technical ranking nor award to the proposer with the lowest price Proposal if doing so would not be in the overall best interest of VTA.

When the review board has completed its work, negotiations will be conducted for the extent of services to be rendered.

Upon completion of a successful negotiation, VTA will issue a Notice of Recommended Award, which will initiate the five (5) day pre-award protest period pursuant to VTA’s protest policies.

1. PROPOSAL FORMAT AND CONTENT
2. **Format:** Proposals shall be typed, as concise as possible and shall not include any unnecessary promotional material. The nature and form of response are at the discretion of the Proposer but shall include the information listed below.
3. **Content:** The Proposer shall include the information described below:
4. **Profile of Firm:** This section shall include a brief description of the firm’s size as well as the local organizational structure; it shall also include a discussion of the firm’s financial stability, capacity and resources. Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting from (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five (5) years or (b) any type of project where claims or settlements were paid by the Proposer or its insurers within the last five (5) years.
5. **Qualifications of the Firm:** This section shall include a brief description of the Proposer’s and subconsultants qualifications and previous experience on similar or related projects. Description of pertinent project experience shall include a summary of the work performed. Proposer must provide the name, title, and phone number of three (3) clients to be contacted for references.
6. **Work Plan/Project Understanding:** By presentation of a well-conceived work plan, this section of the Proposal shall establish the Proposer understands VTA’s objectives and work requirements and Proposer’s ability to satisfy those objectives and requirements. The work plan shall describe the work assigned to the prime and each subconsultant. The work plan shall also include a timetable for completing all work specified in the Scope of Work.
7. **Project Staffing:** This section shall discuss how the Proposer would propose to staff this project. Proposer project team members shall be identified by name, location, specific responsibilities on the project and the estimated person-hours of participation. An organizational chart for the project team and resumes for key personnel shall be included. Key personnel will be an important factor considered by the review board. Once the Proposal is submitted, there can be no change of key personnel without the prior approval of VTA.
8. **Administrative Submittals:** The Proposer must complete all the forms attached hereto and submit in the Proposal.
9. BUSINESS DIVERSITY PROGRAM POLICY**:** Contractor shall adhere to VTA’s Business Diversity Program requirements.
10. **Minority and Women-Owned Business Enterprise POLICY AND REQUIREMENTS:** It is the policy of the Santa Clara Valley Transportation Authority to ensure that Minority and Women-Owned Business Enterprises (“MWBE”), as defined in the VTA MWBE Program, have an equitable opportunity to participate in the performance of contracts and subcontracts financed with local funds. VTA has an 18% MWBE aspirational goal. In this regard, Proposer will use its best efforts to ensure that MWBE firms have an equitable opportunity to compete for subcontract work.

For more information on VTA’s Business Diversity Programs, please see website at [www.vta.org/osdb](http://www.vta.org/osdb) or call the Office of Business Diversity Programs at (408) 321-5962 for assistance inidentifying eligible MWBE firms. Listings of eligible firms are also available at the following:

<https://vta.sbdbe.com/FrontEnd/VendorSearchPublic.asp?TN=vta&XID=5635>

1. **SMALL BUSINESS ENTERPRISE POLICY AND REQUIREMENTS:** It is VTA policy to ensure that Small Business Enterprise (“SBE”) firms, as defined in Federal Regulations 13 CFR Part 121 and 49 CFR Part 26, have an equitable opportunity to participate in the performance of contracts and subcontracts.
2. **SBE with No Set Goal Assignment:** VTAhas not established a contract specific SBE goal for this project. However, Proposer is encouraged to make every effort to meet VTA’s overall agency goal of 19% where possible. In this regard, Proposer will use its best efforts to ensure that SBE firms shall have an equitable opportunity to compete for subcontract work under this Contract. Any certified Disadvantaged Business Enterprise (“DBE”) is eligible to participate towards the SBE overall participation goal. SBE firms must be certified or accepted as certified by the VTA Office of Business Diversity Programs (“OBDP”).

Listings for SBE and DBE firms are:

VTA SBE Database:

* <http://www.VTA.org/about-us/doing-business-with-VTA-search-for-sbes>

California UCP DBE Database:

* <https://dot.ca.gov/programs/business-and-economic-opportunity/dbe-search>
1. **Consultant Registration:** All SBE DBE and MWBE firms listed on Form 5, Listing of MWBE Prime and Subcontractors and Form 6, Listing of SBE Prime and Subcontractors, must be certified by VTA’s OBDP, the California Unified Certification Program (“CUCP”), and/or accepted as certified by VTA’s OBDP at the time of the Proposal due date to be counted toward VTA’s 19% overall SBE goal. Proposers must comply with VTA's SBE Program Policy and Requirements on utilization of SBE.
2. Form 5, MWBE Listing of Prime and Subcontractors, Form 6, SBE Listing of Prime and Subcontractors, Form 7, Designation of Subcontractors and Suppliers, in compliance with SBE Program Policy and Requirements, must be submitted at time of Proposal submittal.
3. It is the Proposer’s sole responsibility to verify to VTA that a sub-consultant has a SBE/DBE certification.
4. **Frauds And Fronts:** Contactors are cautioned against knowingly and willfully using “fronts” to meet the SBE goal of the Contract. The use of “fronts” or “pass through” subcontracts to non-disadvantaged firms constitutes a criminal violation.
5. INSURANCE REQUIREMENTS: Contractor shall adhere to the insurance requirements set forth in Exhibit A3. Proposer’s attention is directed to the insurance requirements in the exhibit. It is highly recommended that Proposers confer with their insurance carriers or brokers in advance of Proposal submission to determine the availability of insurance certificates and endorsements that will be required for the Contract awarded through this RFP.
6. PROTESTS
7. **Solicitation Phase:** Prior to the closing date for submittal of Proposal, Proposer may submit to VTA protests regarding the procurement process, or alleged improprieties in specifications, or alleged restrictive specifications. Any such protests must be filed no later than ten (10) working days prior to the scheduled closing date. If necessary, the closing date of this solicitation may be extended pending a resolution of the protest.
8. **Pre-Award:** Protests dealing with alleged improprieties in the procurement or the procurement process that can only be apparent after the closing date for receipt of Proposals must be filed within five (5) working days after issuance of the Notice of Recommended Award. Protests will contain a statement of the grounds for protests and supporting documentation. Protestor will be notified of VTA’s final decision prior to issuance of award.

Protestors shall have an opportunity to appear and be heard before the agency prior to the opening of Proposals in the case of protests based on the content of the request for Proposals or prior to final award in the case of protests based on other grounds. Proposer’s requests and protests shall be **in writing only** and be addressed to:

Santa Clara Valley Transportation Authority

Attn: John Wesley White, Chief Procurement Officer

Procurement, Contracts & Materials Management

3331 North First Street, Building A

San Jose, California 95134

The full text of VTA’s Policy No. 36 may be obtained at <http://www.vta.org/about-us/doing-business-with-vta-policies>. Failure to comply with the above protest procedures will render a protest untimely and/or inadequate and shall result in its rejection.

If this Contract is financed with federal assistance, pursuant to 2 C.F.R. § 200.318(k), protesters may raise, with the FTA, matters that are primarily a federal concern. Protesters must raise any federal matters arising out of VTA’s award of a contract within five (5) business days of VTA’s final decision of the Proposal protest. See 2 C.F.R. § 200.318(k) for details.

1. SCOPE OF SERVICES: To perform the Scope of Services, Contractor must comply with all the following requirements:
2. An Audit Partner (or equivalent position) will serve in the capacity of the VTA Auditor General, unless otherwise approved at the sole discretion in writing of VTA.
3. The Auditor General will assemble a team of professional auditors to provide internal audit and business consultative services.
4. The Auditor General has direct responsibility to:
	1. Perform an annual risk assessment or risk refresh. The risk assessment should be conducted in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management—Integrated Framework, and the risk refresh should mirror that framework as much as possible.
	2. Develop and recommend for Board approval a Biennial (or Annual) Internal Audit Work Plan utilizing the results of the risk assessment/risk refresh and that includes the associated resource plan and budget required to reasonably complete it.
	3. Plan and conduct each audit or project contained in the Internal Audit Work Plan. Projects should be planned and executed in close coordination with the designated VTA Project Administrator/Facilitator to help optimize opportunities to promote effective completion and maximize efficiencies.
	4. Assign and manage the resources required to conduct each audit or project contained in the Internal Audit Work Plan.
	5. Conduct regular meetings with key VTA staff and other appropriate stakeholders throughout the audit or assessment process to gather information and perspective to help ensure an accurate and well-vetted report containing informed and reasonable conclusions and recommendations for corrective action.
	6. Develop preliminary written audit/project report and findings and review with VTA management, soliciting management’s review and input prior to finalization.
	7. Prepare both the final written audit/project report with findings and the required corresponding accompanying summary-level VTA Board memo. Written report will include VTA’s commitment for implementing corrective and/or follow up action as provided by VTA Administration.
	8. Present audit or project reports, including the recommended corrective actions and VTA management’s commitment for implementing corrective actions, to the Governance & Audit Committee, and, as necessary, to the Board of Directors.
	9. Provide periodic written reports to the Governance & Audit Committee on the completion status of Internal Audit Work Plan projects.
	10. Provide independent assurance that corrective actions VTA Administration committed to implement in response to Auditor General recommendations for an individual audit or assessment have been adequately implemented. The process for doing so includes:
		1. Coordinating and ensuring alignment with VTA’s Audit Program Manager on the current status and projected completion of each recommendation.
		2. VTA’s Audit Program Manager will periodically provide to the Auditor General’s Office a listing of recently completed corrective actions.
		3. Coordinating with VTA’s Audit Program Manager on the information needed by the Auditor General’s Office to substantiate successful completion so that it can be provided.
		4. Reviewing and taking reasonable steps to provide assurance to the Board and Governance & Audit Committee that the corrective action has been adequately completed.
		5. Providing a semi-annual written summary report to the Governance & Audit Committee identifying when all corrective actions for an individual audit or assessment have been adequately completed, thus indicating the process for that project has been fully completed and thus will be removed from future monitoring.
	11. Host a public meeting annually to: (1) present to the community and VTA stakeholders completed Auditor General work, including findings, recommendations and VTA Administration’s commitment to corrective action; and (2) soliciting input for future projects and areas of emphasis or concern.
	12. Review, evaluate, and investigate, as necessary, reports submitted to VTA’s Ethics Hotline and provide periodic summary-level written reports on usage and issue disposition to the Governance & Audit Committee and Board of Directors.
	13. Review, evaluate, and investigate, as necessary, alleged violations of VTA Code of Ethics provisions by a VTA Board member, advisory board member, committee member, vendor, or contractor/consultant.
	14. As requested, review for reasonableness VTA budgetary, financial and/or investment assumptions.
	15. Perform other projects as requested by the Board.
	16. Perform other ad hoc special projects requested by the General Manager/CEO or General Counsel requiring independent expert analysis. The results of these projects may be determined by the General Counsel’s Office to be of a confidential nature and therefore not be presented in a public meeting or become public record.

4. Additional Requirements:

* 1. The Auditor General, as well as other positions within the firm determined by VTA to be participating in the making of governmental decisions, will be required to file a Form 700, the financial disclosure form mandated by the California Fair Political Practices Commission (FPPC), and in accordance with FPPC rules, regulations and timetables.
	2. The Auditor General’s firm must have staffing capacity to assign to the function at least two (2) qualified individuals, both CPAs, with one (1) being an Audit Partner or equivalent with a minimum of five (5) years of experience in performing and/or supervising governmental audits that will serve as VTA Auditor General. It is preferable for the individuals assigned to projects to also have experience in Internal Auditing and/or have a Certified Internal Auditor (CIA) designation. This is in addition to any subject matter experts needed for each specific project.
	3. The Auditor General’s firm must notify VTA in writing a minimum of sixty (60) days in advance for any proposed change in the individual serving as Auditor General. VTA reserves the right to review and accept/not accept in writing any such proposed change. The Auditor General’s firm must also provide a written transition plan at least fourteen (14) days prior to implementation for such changes.
	4. The Auditor General’s firm must notify VTA in writing, a minimum of fourteen (14) days in advance for a proposed change in key personnel assigned to any VTA project along with a brief written transition plan.
	5. The Auditor General is required to attend certain Governance & Audit Committee meetings (as determined by VTA) to present Auditor General Office reports, answer questions, or provide information as needed. The minimum is the normally four (4) scheduled meetings that primarily focus on the Auditor General function. Most Governance & Audit Committee meetings are held immediately prior to a VTA Board of Directors’ meeting. The schedules for these meetings are published on VTA’s website.
	6. The Auditor General is required to attend in their entirety (including Closed Session, if Auditor General staff are required for Closed Session) all regular meetings of the VTA Board of Directors (normally eleven (11) scheduled per year) to present Auditor General reports, gather information, answer questions, or provide information to the Board as needed. A designated representative may be sent, on occasion where scheduling conflicts occur, with VTA’s prior written approval.
	7. The Auditor General is required to be on-site and to maintain office hours at VTA’s River Oaks Administrative Campus a minimum of, on average, sixteen (16) hours per week, at least eight (8) hours on a predetermined schedule, to provide access and communication opportunities between VTA staff and the Auditor General function. VTA provides an enclosed private office for this purpose. Additional workspace is provided for other staff of the selected firm serving as the “Auditor General Office.”
	8. The Auditor General is required to participate in person in the following coordination meetings:
	+ Board/ Governance & Audit Committee Chairperson and Vice Chairperson (minimum semi-annually)
	+ General Manager (GM)/Chief Executive Officer (CEO) (quarterly)
	+ Deputy GM/Chief Financial Officer (quarterly)
	+ Executive Roundtable (minimum semi-annually)
	1. The Auditor General is required to participate in short briefings of the Governance & Audit Committee chairperson that normally occur immediately before each meeting. This applies only when there are any Auditor General Office-related items on that specific agenda.
	2. The Auditor General and/or a qualified, knowledgeable representative is required to attend Governance & Audit Committee Agenda Review to present any reports being presented at the next Governance & Audit Committee meeting. The schedule for Agenda Review is based on the VTA Board Secretary’s published schedule of meetings and due dates distributed at the start of each calendar year.
	3. The Auditor General and/or Auditor General Office staff is required to hold a formal entrance (kick-off) and exit (completion) meeting for each project to inform key staff both on the objectives and planned process as well as the draft findings, recommendations, and project report. Entrance meeting must be held onsite at a VTA facility and must be facilitated in-person by the manager for that project from the Auditor General’s Office.
	4. The Auditor General and/or Auditor General Office staff is required to coordinate in advance with the VTA Project Administrator/Facilitator for recommendations and/or requirements on key VTA staff and other stakeholders to participate in specific meetings (for example, project kickoff meeting). This will help ensure that needed information and review is provided both early and throughout the process.
	5. The Auditor General must prepare a detailed draft plan for each project or activity to be included in the recommended Biennial (or Annual) Internal Audit Work Plan. This project plan must identify total project cost by each component, including the staffing plan with hours, labor rates, and any other project costs. These draft plans must be provided for VTA Project Administrator/Facilitator review and input at least fourteen (14) days prior to the published due date for items for that specific Governance & Audit Committee meeting.
	6. The Auditor General Office is required to provide via email to the VTA Project Administrator/Facilitator and other recipients that individual designates a monthly summary report comparing the current status of projects underway against the approved plan and schedule, denoting any current or projected major deviations.  This report should also identify projects that will be initiated within the next three (3) months.   This report is due within seven (7) days following the close of each month.
	7. A non-recurring special request may occasionally be made by the VTA Project Administrator/Facilitator for attendance and/or presentation by the Auditor General and/or Auditor General Office staff in order to benefit the overall process or satisfy a special need, and the Auditor General and/or Auditor General’s Office will make every reasonable effort to satisfy this request.
	8. The Auditor General’s firm must provide working papers in electronic format to any or all of the following upon request: (A) VTA’s contracted financial auditor; (B) 2000 Measure A Citizens Watchdog Committee compliance auditor; and (C) 2016 Measure B Citizens’ Oversight Committee compliance auditor.
	9. The final work products of all Auditor General reports will be reviewed in open session at public meetings, and thus will be a matter of public record.
	10. The Auditor General and all staff of the Auditor General’s firm must maintain the confidentiality of any communications with VTA’s attorneys and of any work done at the direction of VTA’s attorneys unless otherwise directed in writing by VTA’s attorneys.
	11. All Auditor General Office staff must be thoroughly familiar with VTA’s Administrative Code, ordinances, policies, and procedures.

# ADMINISTRATIVE SUBMITTALS

**Proposer must submit all forms and as part of the Proposal.**

FORM 1. GENERAL INFORMATION

FORM 2. LEVINE ACT STATEMENT

FORM 3. EXCEPTIONS TO THE CONTRACT

FORM 4. COST PROPOSAL FORM

FORM 5. LISTING OF MWBE PRIME AND SUBCONTRACTORS

FORM 6. LISTING OF SBE PRIME AND SUBCONTRACTORS

FORM 7. DESIGNATION OF SUBCONTRACTORS AND SUPPLIERS

FORM 8. LOCAL FIRM CERTIFICATION

## GENERAL INFORMATION

*Instructions: Please complete this form and include in your Proposal. On a separate page, list all subconsultants; include company name, address, phone number and type of service.*

|  |  |
| --- | --- |
| Company Name |  |
| Street Address |  |
| City/State/Zip |  |
| Phone No. |  | DIR No. |  |
| DUNS No. |  | CAGE No.\* |  |
| Federal Taxpayer ID No. |  | NAICS Codes |  |
|  \*Commercial and Government Entity ([www.sam.gov](http://www.sam.gov)) |
| POINT(S) OF CONTACT |
| **Primary** |
| Name/Title |  |  |
| Phone No. |  |  |
| Cell Phone No. |  |  |
| E-mail |  |  |
|  |  |  |  |
|  |  |
| **Alternate** |
| Name/Title |  |  |
| Phone No. |  |  |
| Cell Phone No. |  |  |
| E-mail |  |  |
|  |  |  |
|  |  |
| AUTHORIZED SIGNATORIES: |
| **Primary** |
| Name/Title |  |  |
| Signature |  |  |
| E-mail |  |  |
|  |  |  |
|  |  |
| **Alternate** |
| Name/Title |  |  |
| Signature |  |  |
| E-mail |  |  |
|  |  |  |

## LEVINE ACT STATEMENT

Prime Proposer and Subconsultants must submit a signed Levine Act Statement

California Government Code § 84308, commonly referred to as the "Levine Act," precludes an elected or appointed officer, or alternate, of a local government agency from participating in the award of a contract if he or she receives any contributions totaling more than $250 in the twelve (12) months preceding the pendency of the contract award, and for three (3) months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the officer, or received by the officer on behalf of any other officer, or on behalf of any candidate for elective office or on behalf of any committee in federal, state or local elections.

VTA’s [Board members](http://santaclaravta.iqm2.com/Citizens/Board/1000-Board-of-Directors) and their alternates as of the date of this RFP are as follows:

|  |  |  |
| --- | --- | --- |
| **Name** | **Title** | **Represents** |
| Cindy Chavez | Chairperson | County of Santa Clara |
| Glenn Hendricks | Vice Chairperson | City of Sunnyvale |
| Magdalena Carrasco | VTA Board Member | City of San Jose |
| Charles "Chappie" Jones | VTA Board Member | City of San Jose |
| Lan Diep | VTA Board Member | City of San Jose |
| Sam Liccardo | VTA Board Member | City of San Jose |
| Raul Peralez | VTA Board Member | City of San Jose |
| Devora "Dev" Davis | VTA Alternate Board Member | City of San Jose |
| John McAlister | VTA Board Member | City of Mountain View |
| Adrian Fine | VTA Alternate Board Member | City of Palo Alto |
| Rob Rennie | VTA Board Member | Town of Los Gatos |
| Howard Miller | VTA Alternate Board Member | City of Saratoga |
| Larry Carr | VTA Board Member | City of Morgan Hill |
| Marie Blankley | VTA Alternate Board Member | City of Gilroy |
| Bob Nuñez | VTA Board Member | City of Milpitas |
| Teresa O’Neill | VTA Alternate Board Member | City of Santa Clara |
| Dave Cortese | VTA Board Member | County of Santa Clara |
| Susan Ellenberg | VTA Alternate Board Member | County of Santa Clara |
| Jeannie Bruins | Ex-Officio Member | Metropolitan Transportation Commission |

1. Have you or your company, or any agent on behalf of you or your company, made any contributions of more than $250 to any VTA Board member or alternate in the twelve (12) months preceding the date of the issuance of this RFP?

No \_\_\_ Yes \_\_\_ Please identify the Board member or alternate:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any contributions of more than $250 to any VTA Board member or alternate in the three months following the award of the contract?

No \_\_\_ Yes \_\_\_ Please identify the Board member or alternate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Answering yes to either of the two questions above does not preclude VTA from awarding a contract to your firm. It does, however, preclude the identified Board member or alternate from participating in the contract award process for this contract.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Signature: |  | Firm Name: |  | Date: |

## EXCEPTIONS TO THE CONTRACT

This form shall include any exceptions the Proposer takes to the Contract, which includes the “Compensation, Invoicing and Payment” and “Indemnity and Defense of Claims” and “Insurance Requirements.” If Proposer takes no exceptions, check the field “Proposer takes no exceptions” below.

All exceptions to the Contract terms and conditions must be stated on this form and submitted with the Proposal. Proposer’s failure to take timely exception to VTA’s terms and conditions expressly waives Proposer’s right to challenge or request modification of such terms and conditions and is conclusive evidence of Proposer’s assent thereto.

🞏 Proposer takes exception to the following:

|  |  |  |
| --- | --- | --- |
| Section Reference |  | Disposition **(For VTA Use Only)** |
| \*Insert proposed changes here |
| Section Reference |  | Disposition **(For VTA Use Only)** |
| \*Insert proposed changes here |

\*Make copies of this page if necessary

🞏 “Proposer takes no exceptions”

|  |
| --- |
|  |
| Firm Name: |
|  |
| Name | Title |
|  |
| Signature | Date |

## COST PROPOSAL FORM

|  |
| --- |
|  |
| Proposer: |  |
| **DETAIL DESCRIPTION OF COST ELEMENTS** |
| 1. **DIRECT LABOR (Specify)**
 | **ESTIMATED HOURS** | **RATE/HOUR** | **ESTIMATED COST ($)** |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **TOTAL DIRECT LABOR** |  |
| 1. **LABOR OVERHEAD**
 | **O.H. RATE** | **X BASE =** | **ESTIMATED COST** |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **TOTAL LABOR OVERHEAD** |  |
| **TOTAL DIRECT LABOR AND OVERHEAD** |  |
| 1. **PROFIT %**
 |  |
| 1. **SUBCONSULTANT COSTS (Attach Itemization)**
 |  |
| 1. **OTHER DIRECT COSTS (Attach Itemization)**
 |  |
| **TOTAL COST PROPOSAL** |  |

|  |
| --- |
|  |
| Firm Name: |
|  |
| Name | Title |
|  |
| Signature | Date |

## LISTING OF MWBE PRIME AND SUBCONTRACTORS

|  |  |  |  |
| --- | --- | --- | --- |
| Firm (Prime): |  | Phone: |  |
| MWBE: | 🞏 Yes | 🞏 No | Age of Firm |  |
| Address: |  | Name & Title: |  |
| City, State, Zip: |  | Signature/ Date |  |

***Contract dollar value must exclude work performed by non-***MWBE ***except materials or equipment purchased and used in this contract.***

**CREDIT FOR MWBE** **VENDOR** of materials or supplies is **limited to 60%** of its expenditures for materials and supplies required under this Contract and obtained from a MWBE regular dealer. Credit for MWBE manufacturers is given at 100% toward the MWBE goal **only where the MWBE** **vendor manufactures or substantially alters the material prior to resale.**

**CREDIT FOR MWBE** **BROKERS** (Distributor or Representative) is limited to the fees and commissions of the amount paid. All other firms receive 100% credit, less work subcontracted by the MWBE to non-MWBE firms, towards the MWBE goal.

***A MWBE must be certified or accepted as Certified by*** VTA***.*** Refer to 49CFR Part 26.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name & Address of Certified DBE** | **Certification Number** | **Agency Certifying** | **Age of Firm** | **Dollar Value Of Contract** |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| 4. |  |  |  |  |
| 5. |  |  |  |  |

|  |
| --- |
| **Description of Work** |
| 1. |
| 2. |
| 3. |
| 4. |
| 5. |

MWBE GOALS ARE DETERMINED ON BASE PROPOSAL AMOUNT:

|  |  |  |
| --- | --- | --- |
| Total Contract Amount |  | $ |
| MWBE Contract Amount |  | $ |
|  |  |  |
| MWBE Contract Amount | MWBE Goal Achieved | MWBE Contract Goal |

## LISTING OF SBE PRIME AND SUBCONTRACTORS

|  |  |  |  |
| --- | --- | --- | --- |
| Firm (Prime): |  | Phone: |  |
| SBE: | 🞏 Yes | 🞏 No | Age of Firm |  |
| Address: |  | Name & Title: |  |
| City, State, Zip: |  | Signature/ Date |  |

***Contract dollar value must exclude work performed by non-***SBE ***except materials or equipment purchased and used in this contract.***

**CREDIT FOR SBE** **VENDOR** of materials or supplies is **limited to 60%** of its expenditures for materials and supplies required under this Contract and obtained from a SBE regular dealer. Credit for SBE manufacturers is given at 100% toward the SBE goal **only where the SBE** **vendor manufactures or substantially alters the material prior to resale.**

**CREDIT FOR SBE** **BROKERS** (Distributor or Representative) is limited to the fees and commissions of the amount paid. All other firms receive 100% credit, less work subcontracted by the SBE to non-SBE firms, towards the SBE goal.

***A SBE must be certified or accepted as Certified by*** VTA***.*** Refer to 49CFR Part 26.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name & Address of Certified SBE** | **Certification Number** | **Agency Certifying** | **Age of Firm** | **Dollar Value Of Contract** |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |
| 4. |  |  |  |  |
| 5. |  |  |  |  |

|  |
| --- |
| **Description of Work** |
| 1. |
| 2. |
| 3. |
| 4. |
| 5. |

SBE GOALS ARE DETERMINED ON BASE PROPOSAL AMOUNT:

|  |  |  |
| --- | --- | --- |
| Total Contract Amount |  | $ |
| SBE Contract Amount |  | $ |
|  |  |  |
| SBE Contract Amount | SBE Goal Achieved | SBE Contract Goal |
| X 100 = | Base Contract | % |  | % |

## DESIGNATION OF SUBCONTRACTORS AND SUPPLIERS

**FOR**

**DATA COLLECTION REQUIREMENTS**

|  |  |
| --- | --- |
| Proposer: |  |

Proposer shall completely fill in the form below for each proposed subcontract for all subcontractors, suppliers of materials, subconsultants. Include all firms, regardless of ethnicity, gender or SBE or DBE status. Some information, such as ethnicity and gender is for information purposes only.

*This form is to be completed and submitted with your Proposal.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Firm Name** | **City and State** | **Portion of Work or Proposed Item** | **Ethnicity\*** | **Gender+** | **Estimated Dollar Amount of Subcontract** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
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|  |  |  |  |  |  |
|  |  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **\***A=Asian | **\***AI= Asian Indian | **\***B=Black | **\***C=Caucasian |
| **\***H=Hispanic | **\***NA=Native American | **\***O=Other |  |

|  |  |
| --- | --- |
| **+**F=Female | **+**M=Male |

|  |  |  |
| --- | --- | --- |
| Total Proposed Amount: |  | $ |
| Amount to be subcontracted: |  | $ |
| Percent to be subcontracted: |  | % |

## LOCAL FIRM CERTIFICATION

1. The Proposer hereby certifies that it is \_\_\_ / is not \_\_\_ a local firm. A local firm is a firm that currently has its main office or a branch office with meaningful production capability located within Santa Clara County, or a firm that, upon award of the contract by VTA, will establish such a local office.

|  |  |
| --- | --- |
| If a local firm, specify local address: |  |
|  |  |
|  |  |

1. The Proposer hereby certifies that \_\_\_\_\_\_\_% of the dollar value of services to be rendered will be performed by the following local firms (including Proposer, if applicable):

|  |  |  |
| --- | --- | --- |
| Name of Proposer or Subcontractor |  | % of Dollar Value |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. The above-listed subcontractors are local firms as defined in paragraph 1 above, and are located at the following local addresses:

|  |  |  |
| --- | --- | --- |
| Subcontractor Name |  | Address |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

|  |
| --- |
|  |
| Firm Name: |
|  |
| Name | Title |
|  |
| Signature | Date |

# EXHIBITS

EXHIBIT A Contract

EXHIBIT A1 Scope of Services

EXHIBIT A2 Sample Task Order

EXHIBIT A3 Compensation, Invoicing and Payment

EXHIBIT A4 Insurance Requirements

EXHIBIT A5 SBE Requirements

###  CONTRACT

BETWEEN

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

AND

FOR

VTA AUDITOR GENERAL AND INTERNAL AUDIT SERVICES

CONTRACT NO. S20032

This Contract for professional services (“Contract”) is entered into between the Santa Clara Valley Transportation Authority (“VTA”) and (“Contractor”).

1. **Services to Be Performed:** Contractor shall furnish all technical and professional labor and materials to perform the services described in Exhibit A1 (herein referred to as “Services”), as requested by VTA by issuance of specific Contract Task Orders and agreed to by Contractor.

Assignment of the Services shall be authorized by issuance of Task Orders in the format set forth in Exhibit A2.

1. **Term of the Contract:** The term of this Contract shall commence on the Effective Date (as defined in the signature block below) and continue through June 20, 2024 (unless otherwise earlier terminated pursuant to the terms and conditions set forth herein). The terms and conditions of the Contract shall remain in effect and applicable to all Task Orders issued during the term of this Contract.
2. **DAYS:** For purposes of this Contract, all references herein to “day” shall mean calendar day, unless specified otherwise. All references to “calendar day” shall mean any day, including Saturday, Sunday and all legal holidays. All references to “working day” or “business day” shall mean any business day, excluding Saturdays, Sundays and legal holidays.

**D, Compensation:** Contractor shall be paid in accordance with Exhibit A3 for the Services.

A price shall be negotiated for each Task Order which will be governed by the labor rates listed in Exhibit A3.

Total compensation for the Services provided hereunder shall not exceed $[ ]. Contractor shall be guaranteed a minimum compensation of $1,000.00 under this Contract.

1. **Performance of the Services:**
2. Contractor represents that it is sufficiently experienced, properly qualified, registered, licensed, equipped, organized and financed to perform the Services.
3. Contractor shall perform the Services with the degree of skill and judgment normally exercised by firms performing services of a similar nature. In addition to other rights and remedies that VTA may have, VTA, at its option, may require Contractor, at Contractor’s expense, to re-perform any Services that fail to meet the above standards.
4. **Required Qualifications:** Contractor represents and warrants thatContractor meets the qualifications below and, where applicable, will continue to meet or maintain those qualifications throughout the term of the Contract:
	1. Contractor is a certified public accounting firm licensed to practice in the State of California.
	2. Contractor has a comprehensive knowledge of financial, compliance, performance and internal auditing.
	3. Contractor has a demonstrated minimum five (5) years of public accounting experience as an auditor for a public transportation or other governmental agency.
	4. Contractor has a minimum of three (3) years of experience and comprehensive knowledge acting in the capacity of an Auditor General or equivalent function for an organization comparable in size, complexity, and responsibilities to VTA.
	5. Contractor has a demonstrated experience auditing within Generally Accepted Governmental Auditing Standards (GAGAS), issued by the Governmental Accountability Office (GAO).
	6. Contractor meets current GAGAS independence and continuing professional education (CPE) standards.
	7. The individual appointed as the VTA Auditor General, as well as other key positions that will provide VTA Auditor General Office services, has the ability to communicate effectively and concisely, both verbally and in writing, to the Board of Directors and its committees, other elected officials, VTA Administration, and the general public.
	8. The individual appointed as the VTA Auditor General has the ability to analyze fiscal, operational and planning data, user and stakeholder reactions, and governmental regulations in order to identify, evaluate, prioritize VTA risk factors, and provide findings and counsel to the Board of Directors.
5. **Assignment and Subcontracts:**
6. Contractor shall not assign or transfer this Contract or any portion thereof without the prior written consent of VTA. Additionally, Contractor shall not subcontract any part of its Services other than to those subcontractors that may be identified herein. Any assignment, transfer, change or subcontract in violation of this Contract shall be void.
7. Contractor shall be fully responsible and liable for the Services, products and actions of all subcontractors and suppliers of any tier, and shall include in each subcontract any provisions necessary to make all the terms and conditions of this Contract fully effective.
8. **Changes:** By written notice from VTA’s Authorized Representative (as defined in Section L.1), VTA may, from time to time, order work suspension or make changes within the general scope of this Contract. If any such changes cause an increase or decrease in Contractor’s cost to perform the Service or in the time required for its performance, Contractor shall promptly notify VTA thereof and assert its claim for adjustment within ten (10) days after the change is ordered, and an equitable adjustment shall be negotiated.
9. **Audit and Records:**
10. Contractor shall maintain, in accordance with generally accepted accounting principles and practices, complete books, accounts, records and data with respect to actual time devoted and costs incurred for the Services. Such documentation shall be supported by properly executed payrolls, invoices, contracts and vouchers evidencing in detail the nature and propriety of any charges. Such documentation shall be sufficient to allow a proper audit of the Services. All checks, payrolls, invoices, contracts and other accounting documents pertaining in whole or in part to the Services shall be clearly identified and readily accessible.
11. For the duration of this Contract, and for a period of three (3) years thereafter, VTA, its representatives and the state auditor shall have the right to examine and audit during Contractor’s normal business hours the books, accounts, records, data and other relevant information to the extent required to verify the costs incurred hereunder where such costs are the basis for billings under this Contract.
12. Contractor shall report indirect costs in accordance with the cost principles contained in 48 CFR Part 31, and follow the uniform administrative requirements set forth in 2 CFR Part 200, as modified by 2 CFR Part 1201.
13. The provisions of this AUDIT AND RECORDS section shall be included in any subcontracts hereunder.
14. **Prohibited Interests:**
15. **Solicitation:** Contractor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, VTA shall have the right to rescind this Contract without liability.
16. **Interest of Public Officials:** No Board Member, officer or employee of the VTA during his or her tenure or for two (2) years thereafter shall have any interest, direct or indirect, in this Contract or the proceeds thereof.
17. **Interest of the Contractor:** The Contractor covenants that, presently, Contractor, its officers, directors or agents, have no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree (or create an appearance of conflict) with the performance of the Services. The Contractor further covenants that in the performance of this Contract no person having any such interest shall be knowingly employed.
18. **Termination and Suspension:**
19. VTA may, by giving at least ten (10) business days’ written notice to Contractor, terminate this Contract, or suspend performance hereunder, in whole or in part at any time for VTA’s convenience. Contractor shall be compensated (i) in accordance with the terms of this Contract for the Services satisfactorily performed prior to the effective date and time of termination or suspension, or (ii) the minimum dollar amount stated herein, whichever is applicable. Contractor shall have no right to recover lost profits on the balance of the Services.
20. VTA, by written notice given to Contractor, may declare default in Contractor’s performance of any term of this Contract, specifying with particularity the basis for such default. Contractor shall deliver a response thereto in writing to VTA within two (2) business days of receipt of the notice, setting forth a reasonable proposal to cure the default. If Contractor fails to deliver the foregoing response on time or fails to cure the default within ten (10) business days after receipt of the notice (or within such additional time the Parties may agree upon in writing), VTA may elect to terminate this Contract for cause by serving written notice thereof to Contractor.
21. In the event of such termination for cause, VTA shall be relieved of any obligation of further payment to Contractor, including its obligation to procure the minimum dollar amount stated herein (if any), and may complete the remainder of the Services by itself, or by using an alternative, third party contractor. The additional cost to VTA for completing the Services shall be deducted from any sum due to the Contractor and the balance, if any, shall be paid to the Contractor upon demand. The foregoing shall be in addition to any other legal or equitable remedies available to VTA.
22. If, after termination for failure to fulfill Contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the Parties shall be the same as if the termination had been issued for the convenience of VTA.
23. **General Provisions:**
24. **Ownership of Data:** All drawings, specifications, reports and other data developed by Contractor, its assigned employees or subcontractors pursuant to this Contract shall become the property of VTA as prepared, whether delivered to VTA or not. Unless otherwise provided herein, all such data shall be delivered to VTA or its designee upon completion of this Contract or at such other times as VTA or its designee may request.
25. **Civil Rights:**
26. **Nondiscrimination:** During performance of this Contract, Contractor, its employees and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any person because of race, religious creed, color, sex, gender, gender identity, gender expression, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (including cancer), genetic information, marital status, age (over 40), sexual orientation, or military and veteran status. In addition, Contractor and any subcontractor shall not unlawfully deny any of their employees family care leave or discriminate against such employees on the basis of having to use family care leave. Contractor shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination and harassment.
27. **ADA Accessible Information and Communications:** Any and all deliverables provided by Contractor to VTA pursuant to the Contract must be prepared and delivered in a format that is accessible to individuals with disabilities, as required by (i) the American with Disabilities Act of 1990 (ADA); (ii) 28 CFR Parts 35 and 36; (iii) 49 CFR Part 37; (iv) Section 504 of the Rehabilitation Act of 1973, as amended; and (v) California’s Unruh Civil Rights Act.
28. **Governing Law:** The laws of the State of California will govern these terms and conditions, as well as any claim that might arise between Contractor and VTA, without regard to conflict of law provisions.
29. **Forum Selection:** Any lawsuit or legal action arising from this Contract shall be commenced and prosecuted in the courts of Santa Clara County, California.  Contractor agrees to submit to the personal jurisdiction of the courts located in Santa Clara County, California for the purpose of litigating all such claims.
30. **Confidentiality and Disclosure:** Except as set forth in this paragraph, Contractor must not disclose to third parties any information, data, or materials that the Contractor obtains from VTA or otherwise learns of or is exposed to in the course of the performance of this Contract or information developed or obtained by Contractor in the performance of this Contract (“Confidential Information”). In addition, Contractor must not disclose or use any Confidential Information for any purpose other than the performance of the Services. Notwithstanding the foregoing, Contractor may disclose Confidential Information to third parties or use such information for purposes other than performance of the Services if: (1) VTA provides express written consent for such use or disclosure; (2) the information is known to Contractor prior to obtaining such information from VTA or performing Services under this Contract; (3) the information is, at the time of disclosure by Contractor, then in the public domain; (4) the information is obtained by or from a third party who did not receive it, directly or indirectly, from VTA and who has no obligation of confidentiality with respect thereto. In addition, Contractor may disclose Confidential Information if required to do so by court order. However, upon receipt of an order requiring such disclosure, Contractor must inform VTA as soon as practicable in order to allow VTA to challenge such order if it determines that such challenge is appropriate. For purposes of this Section, “third parties” do not include those employees or authorized subcontractors engaged in the performance of the Services.
31. **Nonwaiver:** Failure of VTA to insist upon strict performance of any terms or conditions of this Contract or failure or delay in exercising any rights or remedies provided herein or by law or its failure to properly notify Contractor in the event of breach or its acceptance of or payment for any Services hereunder shall not release Contractor from the representations or obligations of this Contract and will not be deemed a waiver of any right of VTA to insist upon strict performance hereof or any of its rights or remedies hereunder.
32. **Severability:** If any of the provisions of this Contract (or portions or applications thereof) are held to be unenforceable or invalid by any court of competent jurisdiction, VTA and Contractor shall negotiate an equitable adjustment in the provisions this Contract with a view toward effecting the purpose of this Contract, and the validity and enforceability of the remaining provisions or portions or applications thereof will not be affected thereby.
33. **Independent Contractor:** In performance of the Services, Contractor will be acting as an independent contractor and not the agent or employee of VTA.
34. **Entire Contract:** This Contract constitutes the entire contract between VTA and Contractor relating to the subject matter hereof and supersedes any previous contracts, agreements, or understandings, whether oral or written.
35. **Amendment:** Except as expressly provided herein, the provisions of this Contract cannot be altered, modified or amended except through the execution of a written amendment executed by VTA and Contractor.
36. **Compliance with Applicable Law:** In the performance of the Services, Contractor and its subcontractors shall comply with all applicable requirements of state, federal and local law. The provision of this paragraph shall be included in any subcontracts hereunder.
37. **Documents and Written Reports:** In accordance with Government Code § 7550(a), any document or written report prepared in whole or in part by nonemployees of VTA shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of the document or written report if the total cost of the work performed by nonemployees of the agency exceeds five thousand dollars ($5,000.00). The contract and subcontract numbers and dollar amounts shall be contained in a separate section of the document or written report.
38. **Incorporation Of Exhibits And Attachments:** All exhibits and attachments referenced in this Contract are incorporated herein by this reference.
39. **Safeguarding of Covered Contractor Information Systems:**

(a)Definitions. As used in this paragraph K (16):

“Covered contractor information system” means an information system that is owned or operated by Contractor that processes, stores, or transmits Contract Information.

“Contract Information” means information, not intended for public release, that is provided by or generated for VTA under a contract to develop or deliver a product or service to the VTA, but not including information provided by VTA to the public (such as on public websites) or simple transactional information, such as necessary to process payments.

“Information” means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.

“Information system” means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

“Safeguarding” means measures or controls that are prescribed to protect information systems.

(b)Safeguarding requirements and procedures.

(1) Contractor must apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems must include, at a minimum, the following security controls:

(i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).

(ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.

(iii) Verify and control/limit connections to and use of external information systems.

(iv) Control information posted or processed on publicly accessible information systems.

(v) Identify information system users, processes acting on behalf of users, or devices.

(vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.

(vii) Sanitize or destroy information system media containing Contract Information before disposal or release for reuse.

(viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.

(ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.

(x) Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.

(xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.

(xii) Identify, report, and correct information and information system flaws in a timely manner.

(xiii) Provide protection from malicious code at appropriate locations within organizational information systems.

(xiv) Update malicious code protection mechanisms when new releases are available.

(xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

(xvi) Otherwise take measures consistent with the industry standard of care to (A) ensure the security of any covered contractor information systems that connect to any of VTA’s information systems (the “Connecting Systems”); and (B) to prevent the loss or compromise of any VTA information.

(2) Other requirements.

(i) Contractor must notify VTA of any data loss or compromise through or breach to the Connecting Technology (including physical penetration of Contractor’s facilities where Connecting Technology resides) within 3 hours of discovery of the data loss, data compromise, or breach, even if no data was actually lost or compromised.

(ii) This clause does not relieve Contractor of any other specific safeguarding requirements specified by VTA or VTA’s funding Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.

(c)Subcontracts. Contractor must include the substance of this K(16), including this paragraph (c), in subcontracts under this Contract (including subcontracts for the acquisition of commercial items, other than commercially available off-the-shelf items), in which the subcontractor may have Contract Information residing in or transiting through its information system.

1. **Authorized Representatives and PointS of Contact:** The Authorized Representatives identified below, or assigned designees, have authority to authorize changes to the scope, terms and conditions of this Contract, as set forth herein.
2. **Authorized Representatives:**

|  |
| --- |
| **VTA:** |
| John Wesley White, Chief Procurement Officer  |
| 3331 N. First Street, Bldg. A |
| San Jose, CA 95134-1927 |
| John.white@vta.org  |

|  |
| --- |
| **Contractor:** |

1. **Notices:** Notices shall be in writing and addressed to the Authorized Representatives at the addresses set forth above.
2. **Points of Contact:** The Points of Contact listed below are authorized to communicate regarding contract matters, except in the case where correspondence regarding legal notices must be addressed to the Authorized Representatives.

|  |
| --- |
| **VTA:** |
| Carolyn Vargas, Contracts Administrator II |
| 3331 N. First Street, Bldg. A |
| San Jose, CA 95134-1927 |
| carolyn.vargas@vta.org  |

|  |
| --- |
| **Contractor:** |

1. Written notification to the other Party shall be provided, in advance, for changes in the name or address of the designated Authorized Representatives or Points of Contact stated above
2. **Insurance:** Contractor shall adhere to the insurance requirements set forth in Exhibit A4.
3. **Indemnity and Defense of Claims:**
4. Contractor must indemnify and hold harmless VTA, any public agencies within whose jurisdiction, on whose behalf, or on whose property the Services are being performed, any party VTA is contractually obligated to identify in this Contract as an indemnitee, and each of their respective Board of Directors, Board of Supervisors, Councils, individual board members, officers, agents, employees, and consultants (each, an “Indemnitee”; collectively, the “Indemnitees”) from any claims, liabilities, losses, injuries, damages, expenses, fines, penalties, liens, or fees and costs (including attorneys’ and experts’ fees and costs) (each a “Claim” and collectively “Claims”) arising out of, pertaining to, caused by, or in any way relating to the work performed under this Contract, including compliance or non-compliance with the terms of this Contract, by Contractor and/or its agents, employees, or subcontractors, whether such Claims are based upon a contract, personal injury, death, property damage, or any other legal or equitable theory whatsoever.
5. Contractor agrees, at its own expense, and upon written request by VTA or any individual Indemnitee, to immediately defend any suit, action, proceeding, dispute, or demand brought against any Indemnitee founded upon, alleging, or implicating any Claims covered by Contractor’s indemnity obligation set forth above in subparagraph (1) immediately above and regardless of whether Contractor and/or any of its agents, employees, or subcontractors, was, in fact, liable.  In the event a court of competent jurisdiction determines that any suit, action, claim, or demand brought against any Indemnitee was caused by the sole or active negligence or willful misconduct by VTA or its agents, servants, or independent contractors who are acting on behalf of VTA, VTA shall promptly reimburse Contractor for costs of defending the Indemnitees in such action incurred by Contractor, but only in proportion to the sole or active negligence or willful misconduct of VTA or its agents, servants, or independent contractors who are acting on behalf of VTA.
6. This indemnity and defense of claims provision will survive the expiration or termination of this Contract and remain in full force and effect.
7. **Business diversity PROGRAM REQUIREMENTS:** Contractor shall adhere to the Small Business Enterprise requirements set forth in Exhibit A5.In witness whereof, VTA and Contractor have executed this Contract as of the last date set forth below (“Effective Date”).

***AUTHORIZED SIGNATORIES***

|  |  |  |
| --- | --- | --- |
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### SCOPE OF SERVICES

[TO BE INSERTED]

### SAMPLE TASK ORDER

The Contractor hereby agrees to perform the Services authorized herein in accordance with all the terms and conditions of the Contract referenced below. The Contractor shall furnish the necessary professional and technical personnel and materials required to complete this work.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Contract No. |  |  | Task Order No. |  |
| Contractor: |  |  | SAP Requisition No. |  |
| Term: Effective |  |  | and continue in effect through |  |
|  |  |  |  |  |
| **Compensation Type** |
|  T&M/Time & Materials |   |  FFP/Firm Fixed Price |
|  |  |  |
|  | Task Order value: | $ |
| Contract value available to authorize this Task Order | $ |
|  |  |
| Funding source: |  |  |

Scope of Services: *attached*

Key Personnel: *attached*

Subcontractors: *attached*

|  |
| --- |
| **OBDP Requirements:** |
| OBDP: SBE / DBE | % |  | OBDP Manager: |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Approvals** |
| Project Manager: |  |  | Division Director: |  |
|  |  |  |  |  |

*Executed by:*

|  |  |  |
| --- | --- | --- |
| ***Santa Clara Valley Transportation Authority*** |  | ***Contractor*** |
|  |  |  |
|  |  |  |
| Signature | Date |  | Signature | Date |
|  |  |  |
| Printed Name & Title |  | Printed Name & Title |

### COMPENSATION, INVOICING and PAYMENT

TASK ORDER CONTRACT

For the satisfactory performance and completion of Services under this Contract, VTA will compensate Contractor as set forth herein.

**A. COMPENSATION**: This is a Task Order Contract. Total compensation for the Services provided hereunder shall not exceed $1,000.00. Contractor shall be guaranteed a minimum compensation of $[ ] under this Contract. Contractor agrees to complete the Services defined in authorized Task Orders. Contractor is not authorized to provide Services hereunder costing in excess of the maximum value amount stated herein. Task Order compensation may be awarded on either a time and materials (T&M) or firm fixed price (FFP) basis.

1. **Base Labor Rates:** The basis for T&M and FFP Task Order pricing and payment for work performed shall be subject to the direct labor, indirect labor, overhead and profit stated in **individual Task Orders**, and in accordance with the respective provisions stated below:
2. **Time and Materials.** Payment for work performed on a T&M basis shall be in accordance with the following provisions.
3. **Exempt Personnel:** VTA shall pay for work by exempt personnel (as determined under the Fair Labor Standards Act, 29 U.S.C. § 201-219) at the labor rates listed below which include direct labor, indirect labor, overhead and profit. VTA payment for work by exempt personnel shall not include any premium pay.

|  |  |  |
| --- | --- | --- |
| Name | Classification | Hourly Rate |
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1. **Non-Exempt Personnel:** VTA shall pay for overtime work by non-exempt personnel (Time and a Half, Double Time) in accordance with California law, at the labor rates listed below. VTA must approve all premium time in advance in writing.

|  |  |  |
| --- | --- | --- |
| Name | Classification | Hourly Rate |
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1. Contractor may request increases in labor rates. Increases in labor rates may occur only once in a twelve (12) month period per individual. Contractor must make all requests in writing and deliver them to VTA at least thirty (30) days prior to the date the requested new rates are to become effective. VTA will review the request and, at its sole discretion, approve or deny the request in writing. VTA will issue adjustments, if any, prior to the effective date of the new labor rates.
2. The labor rate paid by Contractor to each employee may not increase more than the annual average of the Consumer Price Index for the San Francisco Bay Area, using the **CPI-U, All Urban Consumers** index type for the twelve (12) month period preceding a new rate. The CPI is as a guideline only, and VTA is not obligated to match or increase this rate.
3. At its discretion, VTA will consider individual exceptions to the above limitations, on a case-by-case basis, not to exceed one (1) adjustment per employee per year, where Contractor can demonstrate that additional compensation is necessary to retain a specific employee VTA considers, in its sole discretion, to be essential.
4. **Firm Fixed Price.** Payment for work performed on a firm-fixed price basis will establish the maximum value upon issuance of Task Orders, within which Contractor agrees to complete the Services defined in the Task Order. Said sum will include Contractor’s total direct costs, indirect costs, and profit. No additional compensation will be paid without a written amendment to this Contract.
5. **Subcontractor Costs:** VTA shall reimburse subcontractor costs at actual cost without mark-up. Subcontractor costs shall be supported by invoices, as are prime costs. See paragraph B, Invoicing.
6. **Other Direct Costs (ODCs):**
7. The following categories of expenses are considered ODCs:
	1. **Travel Expenses:** Any travel expense (as described below) must be authorized by VTA in writing prior to Contractor incurring the expense of such travel. VTA may deny reimbursement of any travel expense incurred by Contractor prior to VTA’s written approval. If VTA approves of the travel expense, VTA will reimburse the following types of travel expenses related to the performance of Services at the following per-diem or lump sum rates:

**Car Rental:** $50/day (including all gas and all associated fees)

**Flight:** The rates set forth as GSA City Pairs Gov’t “YCA” Fare (<https://cpsearch.fas.gsa.gov/cpsearch/search.do>)

**Food/Beverage and Hotel:** The rates set forth as GSA per diem rates (<https://www.gsa.gov/travel/plan-book/per-diem-rates>)

**Mileage:** The rates set forth as GSA mileage allowance

(<https://www.gsa.gov/travel/plan-book/transportation-airfare-pov-etc/privately-owned-vehicle-pov-mileage-reimbursement-rates>)

**Key Personnel Housing:** $2,700 per month either (i) for the duration of the Contract term or (ii) until the Key Personnel is no longer needed for performance of Services, whichever period of time is shorter.

* 1. VTA will reimburse parking, tolls, deliveries, printing, plan reproduction, and blueprint services expenses directly associated with the Services at actual cost without markup. Contractor must provide appropriate supporting documentation, including detailed receipts. If any of the ODCs described in this paragraph will exceed $500.00, Contractor must receive VTA’s written approval prior to incurring such expense. VTA may deny reimbursement of any such ODC expense incurred by Contractor prior to VTA’s written approval.
1. Except as otherwise provided herein, telephone charges, computer costs, CAD machine charges, in-house copying charges, and facsimile charges must be included in overhead and will not be reimbursed as an ODC. Additionally, VTA will not reimburse any of the following types of expenses: alcohol, travel upgrades, fines, memberships, loss of personal property or cash, “no shows,” or personal itinerary changes.
2. No other categories of expenses will be subject to reimbursement as an ODC without the prior written approval of VTA.

**B. INVOICING:**

1. **Invoice Format:**VTA shall pay Contractor on the basis of invoices submitted every month for the Services performed during the preceding month. Invoices shall be in a form acceptable to VTA and each invoice must include:
* Contract Number and Task Order Number
* Name, classification and labor rate of employee
* Description of work performed
* Hours worked by employee accompanying with signed timesheets
* Cost per classification
* Fixed Fee (if assigned)
* Other Direct Cost
* Subcontractor costs with itemization in same format above
* Total costs
1. **Certification by Contractor:**  Contractor shall include the following statement on all invoices for services authorized as T&M as verification that all direct labor rates are billed at the actual rates earned.

I certify the statements and information contained in this invoice are true, accurate, and complete.

Contractor’s Signature:

Contractor’s Name:

1. **Waiver:** Contractor shall be deemed to have waived the right to payment for Services not invoiced within six (6) months after the date the services were performed. For purpose of this provision the date of the invoice shall be the date of receipt by VTA.
2. **Invoice Submittal:** Contractor shall submit invoices by e-mail to the address listed below. Invoices shall be in a PDF, Word, or Excel format.

Email: VTAAccountsPayable@VTA.org

1. **Contesting Invoice/Audit:** Should VTA contest any portion of an invoice, that portion shall be held for resolution, and the uncontested balance shall be processed for payment. VTA may, at any time, conduct an audit of any and all records kept by Contractor related to the Services. Any overpayment uncovered in such an audit may be charged against the Contractor’s future invoices and any retention funds.

**C.****PROMPT PAYMENT:** VTA will pay Contractor within thirty (30) days after receipt by VTA of a proper, fully documented, invoice. Contractor shall pay subcontractors for satisfactory performance of any of the Services performed by subcontractors within fifteen (15) days of receipt of payment by VTA for such Services. Contractor agrees further to return retainage payments to each subcontractor within fifteen (15) days after the subcontractor’s work is satisfactorily completed.

### INSURANCE REQUIREMENTS

**CONTRACTOR’S ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW. IT IS HIGHLY RECOMMENDED THAT CONTRACTOR CONFER WITH THEIR INSURANCE CARRIERS OR BROKERS IN ADVANCE OF PROPOSAL SUBMISSION TO DETERMINE THE AVAILABILITY OF INSURANCE CERTIFICATES AND ENDORSEMENTS REQUIRED BY THIS CONTRACT**

**INSURANCE**

Without limiting Contractor’s obligation to indemnify and hold harmless VTA, Contractor must procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, or employees, or subcontractors. The cost of such insurance must be included in Contract price. In the event of any material change in the Contract Scope of Services, VTA reserves the right to change the insurance requirements set forth herein. Contractor must furnish complete copies of all insurance policies, within three (3) business days of any request for such by VTA.

**A. Liability and Workers’ Compensation Insurance**

**1. Minimum Scope of Coverage**

Coverage must be at least as broad as:

a. Insurance Services Office General Liability coverage (“occurrence” form CG 0001). General Liability insurance written on a “claims made” basis is not acceptable.

b. Insurance Services Office Business Auto Coverage, Insurance Services Office form number CA 0001, covering Automobile Liability, code 1 “any auto.” Auto Liability written on a “claims-made” basis is not acceptable.

c. Workers’ Compensation insurance as required by the Labor Code of the State of California, and Employer’s Liability insurance.

1. Professional Liability, including limited contractual liability coverage, covering liability arising out of any negligent act, error, mistake or omission in the performance of Contractor’s services under this Contract. This coverage must be continuously maintained for a minimum of two (2) years following completion of this Contract. This coverage may be written on a “claims made” basis, if so, please see special provisions in Section B.

**2. Minimum Limits of Insurance**

 Contractor must maintain limits no less than:

a. General Liability (including Umbrella/Excess insurance): $1,000,000 limit per occurrence for bodily injury, personal injury, and property damage. If a General Liability or other form with a general aggregate limit is used, either the general aggregate limit must apply separately to this project/location or the general aggregate limit must be twice the required occurrence limit. This requirement may be satisfied by a combination of General Liability insurance with Excess or Umbrella policies, but in no event may the General Liability primary policy limit per occurrence be less than $2,000,000, unless Umbrella/Excess policies feature inception and expiration dates concurrent with the underlying policy, “Follow Form” coverage, and a “Drop Down”.

b. Automobile Liability $1,000,000 limit per accident for bodily injury and property damage.

c. Workers’ Compensation and Employer’s Liability: Statutory Workers’ Compensation limits and Employer’s Liability limits of $1,000,000 per accident.

d. Professional Liability: $1,000,000 each occurrence/aggregate minimum limit per claim. This requirement may be satisfied by a combination of Professional Liability insurance with Excess or Umbrella policies, but in no event may the Professional Liability primary policy limit per occurrence be less than $2,000,000, unless Umbrella/Excess policies feature inception and expiration dates concurrent with the underlying policy, “Follow Form” coverage, and a “Drop Down” provision.

**3. Self-Insured Retention**

The certificate of insurance must disclose the actual amount of any deductible or self-insured retention, or lack thereof, for all coverages required herein. Any self-insured retention or deductible in excess of $50,000 ($100,000 if Contractor is a publicly-traded company) must be declared to and approved by VTA. If Contractor is a governmental authority such as a state, municipality or special district, self-insurance is permitted. To apply for approval for a level of retention or deductible in excess of $50,000, Contractor must provide a current financial report including balance sheets and income statements for the past three years, so that VTA can assess Contractor’s ability to pay claims falling within the self-insured retention or deductible. Upon review of the financial report, if deemed necessary by VTA in its sole discretion, VTA may elect one of the following options: to accept the existing self-insured retention or deductible; require the insurer to reduce or eliminate the self-insured retention or deductible as respects VTA, its directors, officers, officials, employees and volunteers; or to require Contractor to procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses. Applicable costs resulting therefrom will be borne solely by Contractor. Contractor may request execution of a nondisclosure agreement prior to submission of financial reports.

**B. Claims Made Provisions (not applicable to General Liability or Automobile Liability)**

 Claims-made coverage is never acceptable for General Liability or Auto Liability. Claims-made may be considered for Professional, Environmental/Pollution, or Cyber Liability. If coverage is written on a claims-made basis, the Certificate of Insurance must clearly state so. In addition to all other coverage requirements, such policy must provide that:

1. The policy must be in effect as of the date of this Contract and the retroactive date must be no later than the date of this Contract.

2. If any policy is not renewed or the retroactive date of such policy is to be changed, Contractor must obtain or cause to be obtained the broadest extended reporting period coverage available in the commercial insurance market. This extended reporting provision must cover at least two (2) years.

3. No prior acts exclusion may be added to the policy during the contract period.

4. The policy allows for reporting of circumstances or incidents that might give rise to future claims.

**C. Other Provisions**

The policies must contain, or be endorsed to contain, the following provisions:

**1. General Liability and Automobile Liability**

a. VTA, its directors, officers, officials, employees and volunteers are to be named as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor, including VTA’s general supervision of Contractor; products and completed operations of Contractor and its subcontractors; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage must contain no special limitations on the scope of protection afforded to VTA, its directors, officers, officials, employees, or volunteers. Additional Insured endorsements must provide coverage at least as broad as afforded by the combination of ISO CG 20 10 10 01 and CG 20 37 10 01.

b. Any failure to comply with reporting provisions of the policies may not affect coverage provided to VTA, its directors, officers, officials, employees, or volunteers.

c. Contractor’s insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

d. The General Liability General Aggregate limit must apply per project, not per policy.

**2.** **All Coverages**

1. The insurer must agree to waive all rights of subrogation against VTA, its directors, officers, officials, employees, and volunteers for losses arising from work performed by Contractor and its subcontractors for VTA.
2. Contractor’s insurance coverage must be primary insurance as respects VTA, its directors, officers, officials, employees, and volunteers. Self-insurance or insurance that may be maintained by VTA, its directors, officers, officials, employees, or volunteers may apply only as excess to Contractor’s insurance. Contractor’s insurance must not seek contribution from VTA’s insurance program.

3. Other Insurance Provisions

a. The Certificate must disclose the actual amount of the Deductible or Self-Insured Retention

1. If any coverage forms or endorsements required by this Contract are updated by their publishers, whether they be the insurance carrier(s), the Insurance Services office, or the American Association of Insurance Services, during the duration of this Contract, VTA reserves the rights to require Contractor to procure said coverage forms or endorsements using the updated versions upon the next renewal cycle.

# D. Acceptability of Insurers

Insurance and bonds must be placed with insurers with an A.M. Best’s rating of no less than A VII (financial strength rating of no less than A and financial size category of no less than VII), unless specific prior written approval has been granted by VTA.

# E. Certificates of Insurance

Contractor must furnish VTA with a Certificate of Insurance. The certificates for each insurance policy are to be signed by an authorized representative of that insurer. The certificates must be issued on a standard ACORD Form. The contractor must instruct their insurance broker/agent to submit all insurance certificates and required notices electronically in PDF format to Insurance.certificates@vta.org. All endorsements must be attached to the ACORD certificate in a single PDF document.

The certificates must (1) identify the insurers, the types of insurance, the insurance limits, the SIRs/deductibles or lack thereof and the policy term, (2) include copies of all the actual policy endorsements required herewith, and (3) in the “Certificate Holder” box include:

Santa Clara Valley Transportation Authority (“VTA”)

3331 North First Street

San Jose, CA 95134-1906

In the Description of Operations/Locations/Vehicles/Special Items Box, the VTA Contract number must appear, the list of policies scheduled as underlying on the Umbrella/Excess policy must be listed, Certificate Holder must be named as additional insured, and Waiver of Subrogation must be indicated as endorsed to all policies as stated in the Contract Documents.

It is a condition precedent to award of this Contract that all insurance certificates and endorsements be received and approved by VTA before Contract execution. No work may be performed until insurance is in full compliance. VTA reserves the rights to require complete, certified copies of all required insurance policies, at any time.

If Contractor receives notice that any of the insurance policies required by this Exhibit may be cancelled or coverage reduced for any reason whatsoever, Contractor must immediately provide written notice to VTA that such insurance policy required by this Exhibit is canceled or coverage is reduced.

**F. Maintenance of Insurance**

If Contractor fails to maintain insurance as required herein, VTA, at its option, may suspend payment for work performed and/or may order Contractor to suspend work at Contractor’s expense until a new policy of insurance is in effect.

Ed. Rev. 10-1-19

### SMALL BUSINESS ENTERPRISE (SBE) REQUIREMENTS

1. **MWBE POLICY:**
2. It is the policy of VTA to ensure that Minority and Women Owned Business Enterprises (MWBEs), as defined in the VTA MWBE Program, have an equitable opportunity to participate in the performance of contracts and subcontracts financed with local funds. VTA has an 18% MWBE aspirational goal.
3. Contractor will use all reasonable efforts to ensure that MWBE firms have an equitable opportunity to compete for subcontracting work under this Contract.
4. **SMALL BUSINESS ENTERPRISES:**
5. It is VTA policy to ensure that Small Business Enterprise (SBE) firms, as defined in Federal Regulations at 13 CFR Part 121 and 49 CFR Part 26, have an equitable opportunity to participate in the performance of contracts and subcontracts.
6. In connection with its performance under this Contract, although there is no specified SBE goal, Contractor agrees to cooperate with VTA in attempting to meet VTA’s overall 19% annual utilization of SBE firms. In this regard Contractor will use all reasonable efforts to ensure that SBE firms shall have an equitable opportunity to compete for subcontract work under this Contract.

Goals for participation of SBE firms will be set on each individual Task Order based upon the subcontracting opportunities for that specific Task Order and the availability of SBE subcontractors for the specialties identified. In order to achieve its goals, VTA may require Contractor to subcontract work out that it would normally perform.

1. VTA will monitor compliance with Contract requirements for SBE firms. Electronic submittal will be on a web-based online system (B2Gnow), accessed from any computer via the internet at the following website: <https://VTA.sbdbe.com>. Contractor will be notified via e-mail with instructions on how to utilize the system.
2. Contractor will be required to submit monthly SBE utilization reports electronically to the VTA Office of Business Diversity Programs. These reports will be submitted electronically by the Contractor and will document when payments are made to subcontractors and SBE firms.
3. At the conclusion of this Contract, Contractor shall submit a final SBE utilization report electronically to the VTA Office of Business Diversity Programs at: OBDP@VTA.org by indicating a final audit where requested in the B2Gnow system.