

## ADDENDUM NO.3

**Kansas City Area Transportation Authority  
1350 E. 17<sup>th</sup> Street  
Kansas City, Missouri 64108  
Independent Audit Services  
Project #16-8008-35**

**Issue Date: August 3, 2016**

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This Addendum is hereby made a part of the Bidding Documents and Project Documents to the same extent as if it was originally included therein and is intended to modify and/or interpret the bidding documents by additions, deletions, clarifications or corrections. The Contractor shall acknowledge in the proposal the receipt of this Addendum.

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### **Section 1 – Proposal Calendar:**

Proposal Closing and Submission:

Proposals must be submitted before **1:00PM on August 25, 2016**. Please reference **RFP# 16-8008-35** on the submittal cover. Proposals received after time specified shall not be considered for award. Proposals received via facsimile (fax) or electronic email shall not be considered. Proposals not meeting specified delivery and method of submittal will not be opened nor considered as responsive.

### **GENERAL INFORMATION**

#### **Proposer Questions, Comments & Requests**

1. Why is the Authority going out for bid (i.e. mandatory auditor rotation, 3-year bid cycle, etc.)?
  - A. **The KCATA is at the end of the contract term with the current provider.**
2. How long has the Authority been with the current audit firm?
  - A. **Approximately 10 years**
3. Are there any disagreements with the current auditor?
  - A. **There are no disagreements with the current provider.**
4. Please provide the audit fees for the past three years. Also, please identify any special billings outside of the normal contract fee, if any.
  - A. **The fees for the past three years: \$63,600; \$65,300; \$66,400. There are no additional fees associated with this contract.**

5. Please confirm the weeks the auditors been on-site conducting the audit, both for interim, and final fieldwork? How many auditors have been involved throughout each phase of the audit? Is this the desired timeframe for future audits?
  - A. **Auditors were on site for three (3) days for the interim and two (2) weeks for the final field work. There were a total of four (4) auditors; two (2) for the financial audit and two (2) for the pension plan. Auditors are requested to arrive and perform field work no earlier than the 2<sup>nd</sup> week in February; however all reports must be completed by March 31<sup>st</sup>.**
6. Has the auditor historically performed a physical inventory count and if so, when will this occur for 2016?
  - A. **Auditors do not have to perform a full physical inventory.**
7. When is the final listing of federal award expenditures typically available for the auditors?
  - A. **The listing is available at the end of January.**
8. How many major programs are anticipated for 2016?
  - A. **There are six (6) major programs at this time: Section 5307, 5339, 5310, Bus Availability, Fixed Guideway and State of Good Repair.**
9. Were there any internal control deficiencies communicated as a part of the 2015 audit verbally?
  - A. **There were no deficiencies reported.**
10. Does the Authority anticipate any changes in the reporting entity during the contract period (i.e. new component units, etc.)?
  - A. **The Authority does not anticipate any changes.**
11. What is the Authority's readiness in adopting new GASB's to be implemented in future years?
  - A. **The Authority relies on the auditors to provide updates and guidance regarding GASB compliance.**
12. Part II, Item 1.d of the RFP refers to review of an Annual Report – can you clarify what these services are?
  - A. **The Annual Report is a summary of the financial and compliance audit reports for the Board of Commissioners. This report is presented annually to the Board of Commissioners by the auditors.**
13. Part II, Item 1.f of the RFP – can we get a copy of the Kansas City Area Transportation Authority Retirement Plan for Salaried Employees previous audit? Also, please clarify that this is required annually vs. bi-annually.
  - A. **The audit is attached. This is an annual requirement.**

14. Part II, Item 5 of the RFP – can you clarify the level of assistance you will need in submitting for GFOA certification? If the level of assistance is unknown, should we just submit an hourly rate to be applied to those service hours?
- A. The level of assistance is unknown, but we anticipate we will need guidance.**
15. Part II, Item 6 of the RFP – same questions as 15, can you provide exactly what would be audited (prior year information) or would an hourly rate for these optional services be preferred?
- A. The Johnson County Scope of Work is attached.**
16. Section 3, Item 4 of the RFP – please clarify that you do not need the names and addresses of all partners.
- A. Please only provide names and addresses of partners who will be directly involved in the services for The Authority.**
17. Section 3, Item 10.A. (3) – does the separately sealed proprietary information also need to be printed on a different color paper?
- A. No, however each page should be marked with the words “Proprietary Information”.**
18. Section 4, Part 1 – please clarify how many 3 ring binders you are anticipating. Are you wanting one binder for the cost proposal (Volume I), five binders of the technical proposal (Volume II) and one binder of the contractual section (Volume III) for a total of seven binders and then three separate CD’s, one for each Volume?
- A. Yes, each Volume of the proposal shall be submitted in a separate 3-ring binder; 1 binder for Volume I, 5 binders for Volume II and 1 binder for Volume III. All electronic versions can be submitted on one CD or Flash drive in a segregated manner.**
19. There are three sections of the RFP that refer to references, page 16 4.e, page 17 4.f.8 and page 17 5.c – are these referring to the same references or are you wanting different references for each of these items?
- A. The Authority is requesting separate references for each area as stated in the RFP. However, one set of references may be provided for all three as long as it is relative to the required areas of scope.**
20. Page 18, 4. Volume III – Contractual, Item A – most CPA firms do not traditionally produce financial statements and certainly are not audited and so there is nothing to provide from that standpoint. We can provide a copy of our peer review and other evidence of financial stability in terms of structure, insurance, etc. Is this acceptable?
- A. While we are aware your financials are not audited The Authority still requires your financial statements. Proposers can make an appointment to review financials with a member of our Finance Department. Please submit your request via email to Tamika McDonald at [tmcdonald@kcata.org](mailto:tmcdonald@kcata.org).**
21. Please provide an electronic copy of the most recent audited financial statements and management recommendation letters for the Salaried Employee Plan identified in Section II 1 of the RFP.

- A. **Audited financials can be found on our website [www.kcata.org](http://www.kcata.org). No issues were found, therefore no management letter was provided for the Salaried Pension Plan.**
22. Please provide an electronic copy of the Annual Report, as applicable in Section II 1d of the RFP.
- A. **The Annual Report (Report to Commissioners) can be downloaded from our website [www.kcata.org](http://www.kcata.org).**
23. Please provide an electronic copy of the available financial information about Johnson County Transit to determine the scope of work and whether there is a federal audit requirement identified in Section II 6 of the RFP.
- A. **The Johnson County financials related to Transit can be found in the 2016 CAFR at [www.jocogov.org](http://www.jocogov.org) : go to departments→ treasury financial management→ financial management→ accounting and reports.**
24. **Section 3 Item 4 pg 11 -- Authorization to Propose-** We are instructed to provide a list of all members of the partnership and their addresses in Section. Can we include the name and address of our proposed client Engagement Partner(s) only?
- A. **Yes**
25. **Attachment K – Cost Proposal** - Please provide Attachment K in Word or Excel so that firms can complete the form.
- A. **A revised Attachment K – Cost Proposal is attached. The Proposer shall complete the attached pricing table and provide firm, fixed pricing necessary to meet the requirements of the RFP. Proposal responses submitted on any other form may be considered non-responsive and therefore rejected. The authorized person signing the bid shall initial any erasures, corrections or other changes appearing on the Proposal Cost Response Form. No written comments, modifications or interlineations to the Proposal Cost Response Form will be accepted.**
26. Section 7 Attachments – E.2 and E.3 –Please confirm that these forms are not required to be submitted assuming a firm is not proposing a DBE Subcontractor.
- A. **The form is not required if you are not subcontracting out services to a DBE firm.**
27. Section 7 Attachments -- F.2 -- Please confirm that these forms are not required to be submitted assuming a firm is not proposing a DBE Subcontractor.
- A. **The form is not required if you are not subcontracting out services to a DBE firm.**
28. Can a rough estimate of the number of hours required for the services to be provided be made available (ex. 3 people, 2 weeks in field for interim, 4 people, 4 weeks for yearend field work, etc)?
- A. **Auditors were on site for three (3) days for the interim and two (2) weeks for the final field work. There were a total of four (4) auditors; two (2) for the financial audit and two (2) for the pension plan. Auditors are requested to arrive and perform field work no earlier than the 2<sup>nd</sup> week in February; however all reports must be completed by March 31<sup>st</sup>.**

29. How many journal entries were proposed by your auditors in the past 2 years? Any passed adjustments?
- A. No journal entries and no passed adjustments.**
30. Have there been management letter comments made in the past 2 years?
- A. No**
31. Can a copy of the 2 previous years A-133 reports and management letters be provided?
- A. The Grants Compliance Report is attached. There have been no management letters as KCATA has received clean audits the past two years.**
32. How many federal programs were audited as major in the prior 2 years and how many do you anticipate for this upcoming year?
- A. KCATA had three major programs audited in 2014 and one major program in 2015. We anticipate that we would have two major programs in 2016.**
33. Are you currently involved in any regulatory reviews by an oversight agency?
- A. No**
34. Is there any outstanding pollution or other remediation issues that have been brought to your attention by the EPA or equivalent?
- A. No**
35. Is there any substantial litigation that the Authority is involved with that the Authority believes could have a material impact on the financial condition of the Authority?
- A. No**
36. Can you provide information on total fees for each service provided for 2014 and 2015?
- A. The fees for the past three years: \$63,600; \$65,300; \$66,400**
37. Do proposing firms need to be a registered vendor in advance of submitting the proposal, or do we include the form in the proposal?
- A. Vendor registration forms can be submitted with the proposal submission.**
38. When providing pricing for the optional Johnson County audit, can we provide a range since we don't really know the scope with no prior information to follow? Can that pricing information be further divided (example would be pricing estimate for audit of Johnson County data and pricing estimate for single/compliance audit for Johnson County)?
- A. A scope for Johnson County and a revised pricing sheet has been provided.**

39. Can a trial balance or basic balance sheet and income statement be provided to us for Johnson County to better price this work?
- A. A consolidated financial statement for 2015 will be provided. 2015 was the initial year of the management agreement between Johnson County and KCATA. Financial data was maintained in the County's system through April and data from May through December was maintained in the KCATA system. The information was combined on a monthly basis to create an income statement. The Johnson County financials related to Transit can be found in the 2016 CAFR at [www.jocogov.org](http://www.jocogov.org) : go to departments→ treasury financial management→ financial management→ accounting and reports.**
40. I assume attachments F2, G2, and H2 are not required if we are not subcontracting or using a DBE/WBE firm?
- A. The form is not required if you are not subcontracting out services to a DBE firm.**
41. When providing financial information on our firm, can we provide a basic balance sheet (total assets, total liabilities, and total expenses and net income) in very summary form? Basically showing that we are not debt leveraged and that our bottom line is healthy?
- A. While we are aware your financials are not audited The Authority still requires your financial statements. Proposers can make an appointment to review financials with a member of our Finance Department. Please submit your request via email to Tamika McDonald at [tmcdonald@kcata.org](mailto:tmcdonald@kcata.org).**
42. Can the Authority remove or work to revise Article 25, section C for indemnification? Of can it be negotiated at the time of signing the contract?
- A. No, any exceptions to the KCATA terms and conditions must be sent at the submission of your bid response.**

RECEIPT OF ADDENDA

ADDENDUM NO. 3

Kansas City Area Transportation Authority
1350 E. 17th Street
Kansas City, Missouri 64108

Independent Audit Services
Project #16-8008-35

Proposers shall return this RECEIPT OF ADDENDA form when submitting their bid. The form shall be signed and dated by an authorized representative of the firm. Failure to submit this form may deem the Bidder non-responsive.

We hereby acknowledge that the Addenda noted below have been received and all information has been incorporated into the Invitation for Bid as required.

Addendum #1 Dated \_\_\_\_\_ Date Received \_\_\_\_\_

Addendum #2 Dated \_\_\_\_\_ Date Received \_\_\_\_\_

Addendum #3 Dated \_\_\_\_\_ Date Received \_\_\_\_\_

Company Name \_\_\_\_\_ Date \_\_\_\_\_

Address/City/State/Zip \_\_\_\_\_

Authorized Signature \_\_\_\_\_ Printed Name \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_