

RESOLUTION NO. 2002-117

AUTHORIZING AN INCREASE TO CONTRACT NO. 2002-083 WITH KPMG, LLP. TO PROVIDE AUDIT SERVICES FOR THE EUCLID CORRIDOR TRANSPORTATION PROJECT PRELIMINARY ENGINEERING CONTRACT IN AN AMOUNT NOT TO EXCEED \$15,000.00 (RTA DEVELOPMENT FUND- EUCLID CORRIDOR TRANSPORTATION PROJECT DEPARTMENT BUDGET)

WHEREAS, the Authority deemed it necessary to retain outside auditors to review the administration of the contract for Preliminary Engineering of the Euclid Corridor Transportation Project; and

WHEREAS, after negotiations, a small purchase contract was entered into with KPMG, LLP, with offices at 303 East Wacker Drive, Chicago, Illinois 60601 for this purpose at a price not to exceed \$25,000.00; and

WHEREAS, as a result of information obtained during the audit, additional services are required; and

WHEREAS, KPMG, LLP has offered to provide said services at a price not to exceed \$15,000; and

WHEREAS, the General Manager deems it to be in the best interest of the Authority to accept the offer of KPMG and to amend said contract for this purpose; and

WHEREAS, said increase will cause the contract price to exceed the General Manager's small purchase authority.

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of KPMG, LLP to perform additional audit services for the Euclid Corridor Transportation Project Preliminary Engineering contract be and the same is hereby accepted.

Section 2. That the General Manager of the Authority be and he is hereby authorized to amend Contract 2002-083 to include said additional services.

Section 3. That said amendment shall be payable from the RTA Development Fund, including but not limited to 100% Local Funds, in an amount not to exceed fifteen thousand and 00/100 dollars (\$15,000.00) for a total contract price not to exceed forty thousand and 00/100 dollars (\$40,000.00).

Section 4. That all other terms and conditions of said contract shall remain unchanged.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: June 18, 2002



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AUTHORIZING AN INCREASE TO CONTRACT NO. 2002-083 WITH KPMG, LLP. TO PROVIDE AUDIT SERVICES FOR THE EUCLID CORRIDOR TRANSPORTATION PROJECT PRELIMINARY ENGINEERING CONTRACT IN AN AMOUNT NOT TO EXCEED \$15,000.00 (RTA DEVELOPMENT FUND- EUCLID CORRIDOR TRANSPORTATION PROJECT DEPARTMENT BUDGET)	Resolution No.: 2002- 117
	Date: June 10, 2002
	Initiator: Euclid Corridor Transportation Project Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE:** This action will allow the Authority to increase the price of Contract No. 2002-083 with KPMG, LLP for an audit of the contract for Preliminary Engineering Services of the Euclid Corridor Transportation Project.

2.0 **DESCRIPTION/JUSTIFICATION:** Contract No. 96135 was entered into by the Authority with the Dames Moore Group of Ohio to perform Preliminary Engineering Services for the Euclid Corridor Transportation Project. In 2001, the Federal Transit Administration conducted an audit of this contract, which resulted in findings and recommendations, including the withholding of Federal funds for portions of this contract. In order to respond to these findings and recommendations, the Authority required the services of an independent auditor to review and evaluate the Authority's and the Consultant's project records. Response to these findings and recommendations are necessary in order to seek release of the Federal funds and reimburse the Authority for local dollars spent.

3.0 **PROCUREMENT BACKGROUND:** In November 2001, the Authority conducted a competitive negotiated procurement for the audit services. The acceptable responding firms found that they all had conflicts due to work for either the Authority or for companies related to the Dames Moore Group. The Authority conducted an industry survey to identify qualified firms which did not have such conflicts; the only firm so identified was KPMG, LLP. After negotiations, a contract for a price not to exceed \$25,000 was entered into. The audit was conducted and a preliminary report prepared by KPMG. As a result of information obtained during the audit process, additional review of the Consultant's records is required. KPMG has proposed to provide these services at a price not to exceed \$15,000. The new proposed price, not to exceed \$40,000, will increase the contract beyond the General Manager's small purchase authority.

A cost/price analysis has been performed and the Procurement Department has determined the rates and price to be fair and reasonable to the Authority. The rates established in the original contract will be maintained.

4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Due to the nature of this procurement, the Office of Business Development did not receive the information necessary to complete the affirmative action and DBE review in a timely manner. The results of the evaluation will be provided at the June 18, 2002 Board meeting or prior to contract award

5.0 **POLICY IMPACT:** Does not apply.

- 6.0 ECONOMIC IMPACT: This contract shall be funded through the RTA Development Fund, Euclid Corridor Transportation Project Department Budget in an amount not to exceed \$15,000.00, for a total contract price not to exceed \$40,000.00.
- 7.0 ALTERNATIVES: Rejection of this amendment would leave the Authority unable to respond fully to the FTA audit findings and recommendations. Additionally, GCRTA would not be able to support requests for reimbursement from FTA for eligible preliminary and engineering expenses.
- 8.0 RECOMMENDATION: It is recommended that the change order be accepted and the resolution passed authorizing the General Manager to modify the contract.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate
to the availability of funds, legal form
and conformance with the Procurement
requirements.



CEO, General Manager/Secretary-Treasurer