

RESOLUTION NO. 2003-022

AUTHORIZING CONTRACT 2003-021 WITH THE AUDITOR OF STATE AND KPMG LLP TO PROVIDE SERVICES TO AUDIT THE AUTHORITY'S FISCAL ACCOUNTS AND RECORDS FOR A PERIOD OF FIVE YEARS, IN AN AMOUNT NOT-TO-EXCEED \$686,012.00 (GENERAL FUND, SECRETARY TREASURER'S BUDGET).

WHEREAS, O.R.C. Section 117.11 requires the Auditor of State to conduct an audit of each public office or allow the governing board of the public office to engage an independent certified public accountant to conduct the audit; and

WHEREAS, the Auditor of State has determined that she will be unable to conduct an audit of the Greater Cleveland Regional Transit Authority for the next five years; and

WHEREAS, the Greater Cleveland Regional Transit Authority is required to have an independent certified public accountant to prepare the Federal Single Audit; and

WHEREAS, the Federal Single Audit is performed by the Auditor of State or the independent certified public accountant selected by her; and

WHEREAS, the Auditor of State has performed a competitive procurement process and selected KPMG LLP as independent certified public accountant to conduct the required services; and

WHEREAS, the Auditor of State has notified the Greater Cleveland Regional Transit Authority that KPMG LLP was selected to perform the State and Federal Single Audit at an anticipated cost of six hundred eighty six thousand twelve & 00/100 dollars (\$686,012.00) for a five year period.

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

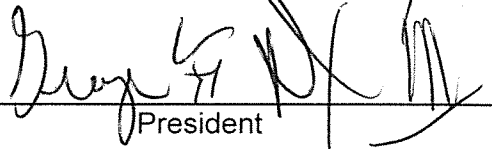
Section 1: That the General Manager of the Authority be and he is hereby authorized to execute a contract with the Auditor of State and KPMG LLP to provide audit services for the Authority's fiscal accounts and records for a five year period.

Section 2. That said contract shall be payable from the General Fund in an amount not-to-exceed six hundred eighty six thousand twelve & 00/100 dollars (\$686,012.00).

Section 3. That said contract shall be binding upon and an obligation of the Authority, contingent upon funding for future years; compliance by the contractor to the Specification and Addenda, if any, the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2002-120; bonding and insurance requirements and all applicable laws relating to the contractual obligations of the Authority.

Section 4. That this resolution shall become effective immediately upon its adoption.

Adopted: March 4, 2003



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING CONTRACT 2003-021 WITH THE AUDITOR OF STATE AND KPMG LLP TO PROVIDE SERVICES TO AUDIT THE AUTHORITY'S FISCAL ACCOUNTS AND RECORDS FOR A PERIOD OF FIVE YEARS, IN AN AMOUNT NOT-TO-EXCEED \$686,012.00 (GENERAL FUND, SECRETARY TREASURER'S BUDGET).	Resolution No.:
	2003- 022
	Date:
	March 3, 2003
	Initiator:
	Secretary-Treasurer
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 PURPOSE/SCOPE: This action will allow the Authority to enter into a contract for the audit of the Authority's fiscal accounts and records for a five year period.

2.0 DESCRIPTION/JUSTIFICATION: The Auditor of State is responsible for auditing public agencies and political subdivisions or engaging the audit services from an Independent Certified Public Accountant (ICPA). The Auditor of State has made the decision to engage audit services from an ICPA. Payment for the audit services shall be made directly to the ICPA. The audit process is necessary to comply with the Federal Single Audit Act and State Law.

Due to a potential conflict of interest the State of Ohio canceled the contract with Deloitte & Touche LLP that was awarded by Resolution 2002-11.

3.0 PROCUREMENT BACKGROUND The Auditor of State performed a competitive procurement process and identified KPMG LLP as the ICPA to conduct the Authority's fiscal account and record audit at the following estimated costs:

<u>YEAR</u>	<u>AMOUNT</u>
2002	\$ 128,200
2003	\$ 132,547
2004	\$ 137,044
2005	\$ 141,701
2006	\$ 146,520

The Auditor of State determined that the price proposed by KPMG LLP is fair and reasonable.

4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: The Office of Business Development does not conduct Affirmative Action reviews or establish goals on the Auditor of the State procurement.

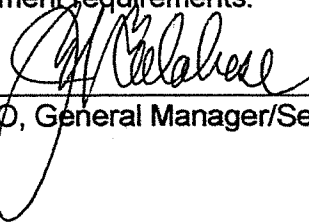
5.0 POLICY IMPACT: Does not apply.

6.0 ECONOMIC IMPACT: This procurement will be funded through the General Fund, Secretary-Treasurer's budget, Line Item 503, Services.

STAFF SUMMARY & COMMENTS
State Auditor
Page 2

- 7.0 ALTERNATIVES: Reject this contract. Rejection of this contract would risk placing the Authority in violation of Federal and State Law by not having an annual audit of its fiscal accounts and records.
- 8.0 RECOMMENDATION: It is recommended that the resolution be passed authorizing the General Manager to enter into a contract with the Auditor of State and KPMG LLP.
- 9.0 ATTACHMENTS: No attachments.

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



CEO, General Manager/Secretary-Treasurer