



MEETING AGENDA

Budget and Implementation Committee

Time: 9:30 a.m.

Date: April 26, 2021

Pursuant to Governor Newsom's Executive Order N-29-20, (March 18, 2020), the meeting will only be conducted via video conferencing and by telephone.

COMMITTEE MEMBERS

Lloyd White, **Chair** / David Fenn, City of Beaumont
Raymond Gregory, **Vice Chair** / Mark Carnevale, City of Cathedral City
David Happe / Alberto Sanchez, City of Banning
Linda Molina / Wendy Hewitt, City of Calimesa
Jeremy Smith / Larry Greene, City of Canyon Lake
Steven Hernandez / Denise Delgado, City of Coachella
Scott Matas / Russell Betts, City of Desert Hot Springs
Bob Magee / Natasha Johnson, City of Lake Elsinore

Jan Harnik / Kathleen Kelly, City of Palm Desert
Lisa Middleton / Dennis Woods, City of Palm Springs
Chuck Conder / Erin Edwards, City of Riverside
Alonso Ledezma / Crystal Ruiz, City of San Jacinto
Ben J. Benoit / Joseph Morabito, City of Wildomar
Karen Spiegel, County of Riverside, District II
Chuck Washington, County of Riverside, District III

STAFF

Anne Mayer, Executive Director
Theresia Trevino, Chief Financial Officer

AREAS OF RESPONSIBILITY

Annual Budget Development and Oversight
Competitive Federal and State Grant Programs
Countywide Communications and Outreach Programs
Countywide Strategic Plan
Legislation
Public Communications and Outreach Programs
Short Range Transit Plans

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
BUDGET AND IMPLEMENTATION COMMITTEE**

www.rctc.org

AGENDA*

**Actions may be taken on any item listed on the agenda*

9:30 a.m.

Monday, April 26, 2021

Pursuant to Governor Newsom's Executive Order N-29-20, (March 18, 2020), the Budget and Implementation Committee meeting will only be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Join Zoom Meeting

<https://rctc.zoom.us/j/86324544888>

Meeting ID: 863 2454 4888

One tap mobile

+16699006833,,86324544888# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

For members of the public wishing to submit comment in connection with the Budget and Implementation Committee Meeting please email written comments to the Clerk of the Board at lmobley@rctc.org prior to April 25, 2021 at 5:00 p.m. and your comments will be made part of the official record of the proceedings. Members of the public may also make public comments through their telephone or Zoom connection when recognized by the Chair.

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, Executive Order N-29-20, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Committee meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

- 4. PUBLIC COMMENTS** – *Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda which are not listed on the agenda. Board members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration. Each individual speaker is limited to speak three (3) continuous minutes or less.*
- 5. ADDITIONS/REVISIONS** *(The Committee may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*
- 6. CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

6A. APPROVAL OF MINUTES – MARCH 22, 2021

Page 1

6B. SINGLE SIGNATURE AUTHORITY REPORT

Page 5

Overview

This item is for the Committee to:

- 1) Receive and file the Single Signature Authority report for the third quarter ended March 31, 2021; and
- 2) Forward to the Commission for final action.

6C. QUARTERLY REPORTING OF CONTRACT CHANGE ORDER FOR CONSTRUCTION CONTRACTS

Page 7

Overview

This item is for the Committee to:

- 1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the past three months ending March 31, 2021; and
- 2) Forward to the Commission for final action.

7. PROPOSED BUDGET FOR FISCAL YEAR 2021/22

Page 9

Overview

This item is for the Committee to:

- 1) Discuss, review, and provide guidance on the proposed Fiscal Year 2021/22 Budget;
- 2) Open the public hearing in order to receive input and comments on the proposed FY 2021/22 Budget on May 12 and June 9, 2021, and thereafter close the public hearing;
- 3) Approve an increase in the FY 2020/21 budget for revenues and expenditures for \$250,000 related to regional conservation right of way consultant costs; and
- 4) Forward to the Commission for final action.

8. AGREEMENTS FOR AUDIT AND ATTESTATION SERVICES

Page 35

Overview

This item is for the Committee to:

- 1) Award the following agreements to provide audit and attestation services for the Western Riverside County Measure A recipients and Transportation Development Act (TDA) claimants of the Commission and the member agencies of the Western Riverside County Regional Conservation Authority (RCA) for a three-year term, with three one-year options to extend the agreements in the total aggregate amount of \$1,524,661, plus a contingency amount of \$75,339, for a total aggregate amount not to exceed \$1,600,000:
 - a) Agreement No. 21-19-034-00 to BCA Watson Rice LLP;
 - b) Agreement No. 21-19-035-00 to Brown Armstrong Accountancy Corporation (Brown Armstrong);
 - c) Agreement No. 21-19-036-00 to Conrad LLP; and
 - d) Agreement No. 21-19-037-00 to Eide Bailly LLP;
- 2) Award the following agreements to provide audit and attestation services for the Eastern Riverside County Measure A Recipients and Transportation Development Act Claimants of the Commission for a three-year term, with three one-year options to extend the agreements in the total aggregate amount of \$413,160, plus a contingency amount of \$19,840, for a total aggregate amount not to exceed \$433,000:
 - a) Agreement No. 21-19-056-00 to Brown Armstrong; and
 - b) Agreement No. 21-19-057-00 to Conrad LLP;
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreements, including options years, on behalf of the Commission;
- 4) Authorize the Executive Director or designee to approve contingency work up to the total not to exceed amount as required for these audit and attestation services; and
- 5) Forward to the Commission for final action.

9. 2021 MID-CYCLE STATE TRANSPORTATION IMPROVEMENT PROGRAM FUNDING DISTRIBUTION AND PROGRAMMING

Page 242

Overview

This item is for the Committee to:

- 1) Approve the 2021 Mid-Cycle State Transportation Improvement Program (STIP) funding distribution among the three geographic areas in Riverside County per the adopted STIP Intracounty Memorandum of Understanding (MOU);
- 2) Approve programming \$10,069,068 of 2021 Mid-Cycle STIP Western Riverside County, Coachella Valley, and Palo Verde Valley funding capacity to the 71/91 Connector project, and submit the 2021 Mid-Cycle STIP to the California Transportation Commission (CTC);
- 3) Include programming Planning, Programming, and Monitoring (PPM) funds (2 percent of STIP programming capacity) in the amount of \$205,491 in Fiscal Year 2022/23;
- 4) Approve swapping the Coachella Valley STIP share with Surface Transportation Block Grant (STBG) funds in the amount of \$2,159,815;
- 5) Approve Agreement No. 07-71-028-04, Amendment No. 4 to Agreement No. 07-71-028-00, with the city of Blythe (Blythe) to trade \$43,297 of Palo Verde Valley STIP funds with Measure A Western Riverside County Highway funds to facilitate delivery of local arterial projects;
- 6) Authorize the Executive Director, pursuant to legal counsel review, to execute Agreement No. 07-71-028-04 on behalf of the Commission upon CTC adoption of the 2021 Mid-Cycle STIP; and
- 7) Forward to the Commission for final action.

10. STATE AND FEDERAL LEGISLATIVE UPDATE

Page 246

Overview

This item is for the Committee to:

- 1) Receive and file an update on state and federal legislation;
- 2) Adopt the following bill positions:
 - a) SB 261 (Allen) – Oppose
 - b) AB 840 (Holden) – Oppose; and
- 3) Forward to the Commission for final action.

11. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

12. COMMISSIONERS / STAFF REPORT

Overview

This item provides the opportunity for the Commissioners and staff to report on attended and upcoming meeting/conferences and issues related to Commission activities.

13. ADJOURNMENT

The next Budget and Implementation Committee meeting is scheduled to be held at **9:30 a.m., May 24, 2021**, via Zoom.

AGENDA ITEM 6A

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

BUDGET AND IMPLEMENTATION COMMITTEE

Monday, March 22, 2021

MINUTES

1. CALL TO ORDER

The meeting of the Budget and Implementation Committee was called to order by Chair Lloyd White at 9:31 a.m. via Zoom Meeting ID: 844 6885 6317, pursuant to Governor Newsom's Executive Order N-29-20.

2. ROLL CALL

Members/Alternates Present

Chuck Conder
Raymond Gregory
Jan Harnik
Bob Magee
Scott Matas
Lisa Middleton
Linda Molina
Jeremy Smith
Karen Spiegel
Lloyd White

Members Absent

Ben J. Benoit
David Happe
Steven Hernandez
Alonso Ledezma
Chuck Washington

3. PLEDGE OF ALLEGIANCE

Commissioner Linda Molina led the Budget and Implementation Committee in a flag salute.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. **CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

M/S/C (Gregory/Spiegel) to approve the following Consent Calendar item(s):

Abstain: Harnik on Agenda Item 6A.

6A. APPROVAL OF MINUTES – FEBRUARY 22, 2021

6B. QUARTERLY FINANCIAL STATEMENTS

- 1) Receive and file the Quarterly Financial Statements for the six months ended December 31, 2020; and
- 2) Forward to the Commission for final action.

7. STATE AND FEDERAL LEGISLATIVE UPDATE

David Knudsen, Legislative Affairs Manager, provided an update for the state and federal legislative activities.

Anne Mayer, Executive Director, expressed appreciation that Commissioner Joe Tavaglione was reappointed to the California Transportation Commission (CTC) as he has long been a strong supporter of the Inland Empire and there was some concern that the seat would go to someone else out of the Inland Empire. Anne Mayer stated with respect to the earmarks, the earmarks are relatively limited in terms of dollar amounts and they will be pulling from the Commission approved list of priority projects. This is the first time RCTC has had an earmark opportunity in quite a while so they will make sure at least two projects are submitted to each of their congressional and delegation members.

M/S/C (Middleton/Gregory) to:

- 1) **Receive and file an update on state and federal legislation; and**
- 2) **Forward to the Commission for final action.**

8. ACTIVE TRANSPORTATION PROGRAM CYCLE 5 – RIVERSIDE COUNTY PROJECT RECOMMENDATIONS FOR METROPOLITAN PLANNING ORGANIZATION REGIONAL PROGRAM

Jenny Chan, Planning and Programming Manager, presented the Active Transportation Program (ATP) Cycle 5 Metropolitan Planning Organization (MPO) Regional Program recommendations, highlighting the following areas:

- ATP program overview

- Distribution of Funds – Cycle 5 total of \$445.56 million for FY 21/22– 24/25
- ATP Cycle 5 Statewide = \$220.78 million – The CTC will award 2 Riverside County Projects. Adoption March 2021
- ATP Cycle 5 MPO = \$92.572 million – Riverside County Share = \$11.305 million; SCAG MPO Guidelines allows additional 20 points; Commission approved 20-point distribution methodology
- Riverside County MPO Share Project Recommendation for Cycle 5
- A map of the ATP funded projects for Cycles 1 - 5

Vice Chair Raymond Gregory expressed appreciation to all that participated in this process. He stated for the city of Cathedral City's projects for their city connectors will increase both the ability to safely bike and walk particularly in downtown and along SR-111, as there are a lot of gaps and this will go a long way towards closing that. Vice Chair Gregory expressed gratitude to the Southern California Association of Governments representatives, RCTC staff, the Commissioners, the Coachella Valley Association of Governments, and city staff for all their hard work in making sure they can continue to make these improvements in our communities.

M/S/C (Molina/Gregory) to:

- 1) Approve the Riverside County Active Transportation Program (ATP) projects for inclusion in the Metropolitan Planning Organization (MPO) ATP Regional Program Cycle 5 consisting of the highest scoring projects in the total amount of \$11,305,000;**
- 2) Authorize staff to adjust the ATP award request to include Riverside County – Public Health's Safe Routes for All – Hemet Project to maximize available funds in Riverside County;**
- 3) Submit the list of recommended and contingency projects to the Southern California Association of Governments (SCAG) for inclusion in the MPO ATP Regional Program and subsequent submittal to the California Transportation Commission (CTC) for final approval in June 2021;**
- 4) Authorize staff to request state-only ATP funds for all projects, which all have cleared and completed state environmental clearance;**
- 5) Submit the MPO ATP regional projects to SCAG for programming in the Federal Transportation Improvement Program (FTIP);**
- 6) Direct staff to coordinate with the MPO ATP Regional Program project sponsors regarding timely funding allocations, obligations, and project delivery;**
- 7) Prioritize Coachella Valley Association of Governments (CVAG)'s Coachella Valley Arts and Music Line project for any future supplemental ATP Cycle 5 funding; and**
- 8) Forward to the Commission for final action.**

9. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

There were no items pulled from the consent calendar.

10. COMMISSIONERS / EXECUTIVE DIRECTOR REPORT

10A. Chair Harnik announced the California Association of Councils of Governments (CALCOG) Regional Conference is going on right now and they are discussing the same issues that RCTC deals with. It is also being held on March 23 at CALCOG.

11. ADJOURNMENT

There being no further business for consideration by the Budget and Implementation Committee, the meeting was adjourned at 9:54 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Lisa Mobley', with a long horizontal flourish extending to the right.

Lisa Mobley
Clerk of the Board

AGENDA ITEM 6B

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	April 26, 2021
TO:	Budget and Implementation Committee
FROM:	Alicia Johnson, Senior Procurement Analyst Jose Mendoza, Procurement Manager
THROUGH:	Theresia Trevino, Chief Financial Officer
SUBJECT:	Single Signature Authority Report

STAFF RECOMMENDATION:

This item is for the Committee to:

- 1) Receive and file the Single Signature Authority report for the third quarter ended March 31, 2021; and
- 2) Forward to the Commission for final action.

BACKGROUND INFORMATION:

Certain contracts are executed under single signature authority as permitted in the Commission's Procurement Policy Manual adopted in March 2021. The Executive Director is authorized to sign services contracts that are less than \$250,000 individually and in an aggregate amount not to exceed \$2 million in any given fiscal year. Additionally, in accordance with Public Utilities Code Section 130323(c), the Executive Director is authorized to sign contracts for supplies, equipment, materials, and construction of all facilities and works under \$50,000 individually.

The attached report details all contracts that have been executed for the third quarter ended March 31, 2021, under the single signature authority granted to the Executive Director. The unused capacity of single signature authority for services at March 31, 2021 is \$1,843,975.

Attachment: Single Signature Authority Report as of March 31, 2021

SINGLE SIGNATURE AUTHORITY

AS OF March 31, 2021

CONTRACT #	CONSULTANT	DESCRIPTION OF SERVICES	ORIGINAL CONTRACT AMOUNT	PAID AMOUNT	REMAINING CONTRACT AMOUNT
AMOUNT AVAILABLE July 1, 2020			\$2,000,000.00		
18-33-123-00	Los Angeles Engineering	La Sierra Station Expansion Project	3,497.49	3,497.49	0.00
PO 2806	Dispensing Technology Corp.	Bituminous Applicator for Interstate 15 Express Lanes	38,045.74	38,045.74	0.00
21-31-002-00	California Highway Patrol	Construction Zone Enhancement Program (COZEEP) for Interstate 215 Pachappa Project	49,982.00	1,484.00	48,498.00
21-31-023-00	HGN Corona Partners	Parking agreement for SR-91 Corridor Operations Project	13,500.00	4,500.00	9,000.00
21-19-041-00	Eadie + Payne	Accounting assistance and documenting accounting policies	51,000.00	0.00	51,000.00
AMOUNT USED			156,025.23		
AMOUNT USED			156,025.23		
AMOUNT REMAINING through March 31, 2021			\$1,843,974.77		
<u>Agreements that fall under Public Utilities Code 130323 (C)</u>					
None	N/A		\$-	\$-	\$-
Jose Mendoza	Theresia Trevino				
Prepared by	Reviewed by				
Note: Shaded area represents new contracts listed in the third quarter.					

AGENDA ITEM 6C

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>
--

DATE:	April 26, 2021
TO:	Budget and Implementation Committee
FROM:	Marlin Feenstra, Project Delivery Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Quarterly Reporting of Contract Change Order for Construction Contracts

STAFF RECOMMENDATION:

This item is for the Committee to:

- 1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the past three months ending March 31, 2021; and
- 2) Forward to the Commission for final action.

BACKGROUND INFORMATION:

During the past quarter, January to March 2021, the Commission has had the following projects under construction:

1. Mid County Parkway Placentia project
2. I-15 Railroad Canyon Interchange project
3. SR-91 Pachappa Underpass project
4. SR-60 Truck Lanes project
5. Downtown Riverside Station Layover Facility project
6. I-15 Express Lanes project
7. SR-91 Corridor Operations project

In addition to the projects under construction, the Commission also had on-going Toll operations contracts.

1. I-15 Express Lanes project – Toll Services Provider (Kapsch)
2. I-15 / SR-91 Express Lanes Connector – Toll Services Provider (Kapsch)

DISCUSSION:

At the direction of the Executive Committee at its March 2021 meeting, a report will be filed each quarter listing the construction contract change orders that were issued in the previous quarter.

The following table summarizes the Contract Changes Orders that occurred in the last quarter (3rd quarter of FY 2020/2021).

Contractor Change Orders executed in the 1st Quarter of FY 2021			
Project	CCO No.	Description	Amount
MCP Placentia Project	CCO 07	SCE civil work	\$250,000.00
	CCO 08	Drainage holes in existing barrier	\$2,500.00
	CCO 09	SWPPP maintenance sharing	\$50,000.00
	CCO 10	Ramp metering system revisions	\$4,793.00
I-15 Railroad Canyon Interchange Project	CCO 12	Grape St temporary street lighting	\$8,172.83
	CCO 14	Relocated city irrigation on Grape St	\$6,470.29
	CCO 16	Pavement delineation at Grape St / Mall entrance	\$70,541.12
	CCO 17	Retaining wall Grape St and Railroad Canyon Rd	\$79,000.00
	CCO 18	Slurry backfill to electrical trenches	\$70,000.00
	CCO 26	Maintain electrical	\$225,000.00
	CCO 28	Bridge joint seal replacement	\$30,000.00
	CCO 29	Grape St stamped concrete	\$47,611.96
	CCO 36	Type B joint seal replacement	\$75,918.00
SR-91 Pachappa Underpass Project	CCO 3s1	Additional speed control signage WB	\$21,056.80
	CCO 8	Grading to protect UPPR tracks	\$40,725.85
	CCO 10	Potholing & Miscellaneous Changes at DS-1	\$11,775.28
	CCO 11s2	Additional Welding, shoofly conduit & drain removal	\$7,500.00
	CCO 13	Revise UPPR cutover date	\$203,568.00
	CCO 14	Geosynthetic bond breaker at JCPC	\$3,077.63
	CCO 15	Water pollution control maintenance	\$8,900.00
SR-60 Truck Lanes Project	CCO 41	Revise EB cut slope requirements sta. 640 to 648	\$289,280.00
	CCO 44s1	Route 60 WB Edison pole #4775225, impacts to Stage 2 & 3 works	\$102,240.00
	CCO 56	Extension of Drainage Structure #4	\$16,784.00
	CCO 57	Metal guardrail treated wood disposal	\$10,000.00
Downtown Riverside Station Layover Facility Project	CCO 7s1	Remove hazardous materials	\$0.00
	CCO 12	HMAC quantity increase	\$570.00
I-15 Express Lanes Project	CCO 71	Reconciles the contract price due to lane closure charges for January 2020 through the week ended August 15, 2020.	(\$238,200.00)
	CCO 72	Lane closure liquidated damages 2019	(\$5,000.00)
	CCO 84	Adds drainage facilities to correct pavement ponding issues in the express lanes and outside general purpose lanes.	\$3,850,000.00
	CCO 85	Swaps Scope of Work with City of Corona's Cajalco Road Interchange Project.	\$0.00
	CCO 87	Lane closure liquidated damages 2019	(\$5,000.00)
	CCO 88	Repair damaged power conduit at Bedford Canyon	\$9,063.00
	CCO 89	Compensates Design Builder for differing site condition at 15/91 Bent 2 cast-in-drilled-hole.	\$208,000.00
	CCO 90	Extends express lanes maintenance through Jan 31, 2021.	\$63,880.00
	CCO 91	Extends Project insurances.	\$46,546.00
	CCO 92	Extends express lanes maintenance through March 20, 2021.	\$73,347.00
	CCO 93	Revises the Project's south end final striping configuration.	\$406,943.00
	CCO 95	Extends Express Lanes Maintenance Through April 10, 2021.	\$63,423.00
SR-91 C.O.P	CCO 07	T&M work - clean existing drainage system, remove existing foundation, repair existing electrical, remove boulders	\$50,000.00
I-15 Express Lanes Project - Toll Services Provider (Kapsch)	CCO 16	Splicing of electronic toll and TMS fiber on SR-91 to redundant fiber on I-15.	\$102,141.00
	CCO 17	Read point/tolling cabinet electrical code issue.	\$17,740.00
I-15/ SR-91 Express Lanes Connector - Toll Services Provider (Kapsch)	CCO 5s1	Provides for Supplemental 1 to CCO 5 to remove DBE requirement, modify liquidated damages delays, and add equipment costs.	\$426,795.00

AGENDA ITEM 7

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	April 26, 2021
TO:	Budget and Implementation Committee
FROM:	Michele Cisneros, Deputy Director of Finance Theresa Trevino, Chief Financial Officer
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Proposed Budget for Fiscal Year 2021/22

STAFF RECOMMENDATION:

This item is for the Committee to:

- 1) Discuss, review, and provide guidance on the proposed Fiscal Year 2021/22 Budget;
- 2) Open the public hearing in order to receive input and comments on the proposed FY 2021/22 Budget on May 12 and June 9, 2021, and thereafter close the public hearing;
- 3) Approve an increase in the FY 2020/21 budget for revenues and expenditures for \$250,000 related to regional conservation right of way consultant costs; and
- 4) Forward to the Commission for final action.

BACKGROUND INFORMATION:

Staff completed the initial budget preparation process and the attached executive summary for the proposed FY 2021/22 Budget. The policy goals and objectives approved by the Commission on March 10 were the basis for this budget. The long-term policy goals that support the Commission's objectives considered during the preparation of the budget relate to promoting quality of life; achieving operational excellence; connecting the economy; being a responsible partner; and maintaining fiscal accountability.

At the meeting, staff will present highlights of significant items included in the budget and seeks review of and input on the proposed FY 2021/22 Budget. Additionally, staff recommends opening of the public hearing on May 12. As a result of input received from the public and the Commission and any final staff revisions to budget amounts, staff will make the necessary changes to the budget document for the Commission's final review, closing of the public hearing, and adoption at its June 9 Commission meeting. Should there be any revisions to budget amounts after the May 12 Commission meeting, staff will provide a detailed reconciliation of such revisions.

DISCUSSION:

The Commission's budget is primarily project-driven, although the express lanes operations are service-driven. As a project-driven agency, the Commission accumulates funds, or reserves, for specific projects and programs – resulting in flexibility to adjust project development or programs especially in times of economic downturns. The proposed FY 2021/22 Budget anticipates that total uses will exceed total sources by approximately \$143 million. Similar to prior years, the accumulated reserves, which include bond proceeds issued in FY 2017/18, will fund the deficiency. In the executive summary, Tables 18-20 provide a summary of budgeted sources and uses from different perspectives (comparative, operating and capital, and fund).

Since the Commission is project-driven, personnel costs represents 1 percent of budgeted expenditures. Budgeted personnel costs reflect a 4 percent pool for performance merit-based salary increases and annual salary range adjustments.

With this budget, the Commission will continue to move forward current capital projects to construction, thereby providing a stimulus for the local economy. Significant capital projects include:

- Construction on the 60 Truck Lanes in the Badlands, 71/91 Connector in Corona, 91 Corridor Operations Project, Mid County Parkway's (MCP) first project at I-215/Placentia Avenue interchange in Perris, and Pachappa Underpass on SR-91 in downtown Riverside;
- Design-build activities on the 15/91 Express Lanes Connector in Corona and completion of the I-15 Express Lanes Project in northwestern Riverside County; and
- Preliminary engineering, final design, and/or right of way acquisition on the I-15 Express Lanes Project-Southern Extension, I-15 Express Lanes Corridor Operations Project, 71/91 Connector, and MCP's second construction project.

Other major capital project expenditures include pass-through funding for Measure A local streets and roads, the other SB 132 projects in northwestern Riverside County, Western County TUMF and Measure A regional arterial projects, and several commuter rail station upgrades and improvements. Table 21 in the executive summary presents a summary of highway, regional arterial, rail, and regional conservation program projects.

A public hearing to allow for public comment on the proposed budget is required prior to the adoption of the proposed budget, including the proposed salary schedule. **Accordingly, staff recommends the Commission opens the public hearing on May 12, continues the public hearing to June 9 followed by adoption of the proposed FY 2021/22 Budget.** In accordance with the Commission's fiscal policies, the budget must be adopted no later than June 15 of each year.

A summary of the proposed FY 2021/22 Budget is as follows:

	FY 2021/22 Budget
Revenues and other financing sources:	
Sales taxes-Measure A and Local Transportation Funds	\$ 295,000,000
Reimbursements (federal, state, and other)	338,753,900
Transportation Uniform Mitigation Funds, including reimbursements	11,000,000
State Transit Assistance	23,862,200
Tolls, penalties, and fees	65,123,700
Other revenues	657,300
Interest on investments	860,000
Debt proceeds	674,497,000
Transfers in	196,240,000
Total revenues and other financing sources	1,605,994,100
Expenditures and other financing uses:	
Personnel salaries and fringe benefits	15,005,000
Professional services	19,265,800
Support services	16,957,000
Projects and operations	765,682,900
Capital outlay	6,359,700
Debt service (principal, interest, and payment to escrow agent)	729,093,600
Transfers out	196,240,000
Total expenditures and other financing uses	1,748,604,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(142,609,900)
Beginning fund balance (projected)	1,000,974,600
Ending fund balance (projected)	\$ 858,364,700

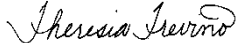
The proposed FY 2021/22 also assumes that the refinancing of the 91 Express Lanes toll revenue bonds and Transportation Infrastructure Finance and Innovation Act loan, originally approved at the March 2020 Commission meeting, will be completed. Amounts related to the refinancing are included in debt proceeds and debt service expenditures. Staff anticipates bringing an update on the refinancing and revised legal documents for Commission approval in the first half of FY 2021/22.

FY 2020/21 Budget Adjustment

In connection with the compilation of the FY 2021/22 Budget, staff determined that projected FY 2020/21 revenues and expenditures for the regional conservation program exceeded the budget amounts approved by the Commission in November 2020 in connection with approval of the Implementation and Management Services Agreement between the Commission and the Western Riverside County Regional Conservation Authority (RCA). Subsequent to the effective

date of the agreement, the Commission's right of way staff immediately assumed responsibility for the RCA's habitat acquisition program and began incurring costs through utilization of Commission right of way consultant contracts. Accordingly, staff recommends that the Commission approve an adjustment to increase the FY 2020/21 budget for reimbursement revenues and expenditures for \$250,000 related to regional conservation right of way consultant costs.

FISCAL IMPACT:

Financial Information					
In Fiscal Year Budget:	No	Year:	FY 2020/21	Amount:	\$250,000
Source of Funds:	RCA reimbursements			Budget Adjustment:	Yes
GL/Project Accounting No.:	r22001 81403 00000 0000 750 68 81402			\$250,000 expenditures	
	r22001 000 41608 750 68 41204			\$250,000 revenues	
Fiscal Procedures Approved:				Date:	04/14/2021

Attachment: Draft Proposed FY 2021/22 Budget Executive Summary

Executive Summary

Introduction

The budget for FY 2021/22 is presented to the Board of Commissioners (Board) and the citizens of Riverside County. The budget outlines the projects and programs the Commission plans to undertake during the year and appropriates expenditures to accomplish these tasks. The budget also shows the funding sources and fund balances for these projects and programs. This document serves as the Commission's monetary guideline for the fiscal year. To provide the reader a better understanding of the projects and programs, staff included descriptive information regarding each department and major programs and projects.

In early March 2020, the federal government as well as the California Governor issued emergency declarations related to the COVID-19 pandemic. Further, on March 19, 2020, the Governor issued an executive stay at home order to protect the health and well-being of all Californians and to establish consistency across the State to slow the spread of COVID-19. The County of Riverside also issued a directive to county residents supporting the Governor's executive order. Over the past year, the restrictions have been modified in response to the changing nature of the pandemic. The end of the COVID-19 pandemic appears to be in sight with vaccine distributions becoming widely available, more Californians returning to work or leisure activities with modified stay at home orders, and financial relief to families and businesses most impacted by the pandemic.

COVID-19 and the related government health orders have negatively impacted the local, regional, state, and federal economies; the magnitude and duration of these impacts remain uncertain. This budget is presented based on the best available economic information. The Board and staff will continuously monitor, assess, and adjust the budgeted revenue and expenditures as necessary throughout the crisis and duration of economic recovery.

Policy Goals and Objectives

As approved at its March 10, 2021 meeting, the Commission is driven by four core mission statements and underlying goals for the people of Riverside County and the transportation system upon which they rely:

QUALITY OF LIFE <i>RCTC is focused on improving life for the people of Riverside County and empowering them to live life at their pace.</i>	
Choice	RCTC empowers the residents of Riverside County to choose how to get safely to where they are going.
Environmental Stewardship	RCTC protects and preserves the County's environment for its residents.
Mobility	RCTC provides access, equity, and choice in transportation; RCTC is a mobility partner.
Equity	RCTC supports transportation services and projects that equitably benefit all residents, including those in rural, low income, and disadvantaged communities.
Access	RCTC projects and programs are the connection to employment, housing, schools, community institutions, parks, medical facilities, and shopping in the region.
Goods Movement	RCTC facilitates the funding and delivery of projects that mitigate the impact of increased goods movement flow through Riverside County and advocates for a reasonable balance between the need to create jobs and to protect public health.

OPERATIONAL EXCELLENCE <i>RCTC is a responsible and conservative steward of taxpayer dollars.</i>	
State of Good Repair	RCTC invests in road safety and maintenance in its residents' neighborhoods.
Promises Fulfilled	Projects are completed on-time, on-budget; RCTC delivers on its promises as a steward of Riverside County residents' investment.
Efficiency	RCTC operates in an efficient and cost-effective manner.
Innovation	Program and project delivery innovations drive results, savings, and greater economic opportunities for Riverside County residents.
Information	RCTC operations are transparent and easily accessible; customers get prompt, reliable, quality service.

CONNECTING THE ECONOMY <i>RCTC is a driver of economic growth in Riverside County.</i>	
Workforce Mobility	RCTC improves the economy by creating a robust workforce to workplace system; RCTC fosters workforce development by improving transportation access to major employment and education centers.
Population Growth	Since 1976, RCTC has been responsible for connecting the County's economy as the County's population has quadrupled from 550,000 to over 2.4 million today. RCTC is sensitive to each geographic area's unique needs.
Economic Impact	RCTC has invested over \$4.3 billion in the County's economy thanks to Measure A and toll revenues, which has a multiplier impact in terms of jobs and economic opportunity throughout Riverside County.

RESPONSIBLE PARTNER <i>RCTC partners with local, regional, and state governments to deliver road and transit projects.</i>	
Streets and Roads	RCTC has invested over \$1 billion in local priorities for maintaining streets and roads and fixing potholes.
Transit	RCTC partners with other transit operators to provide residents mobility choices, flexibility, intercity and intercounty connectivity, and access—especially during a post-pandemic recovery.
Active Transportation Facilities	RCTC continually improves its stations for better bicycle and pedestrian access and partners with agencies within the County to promote active transportation alternatives, including the building of regional trails and bicycle and pedestrian facilities in accordance with local general master and active transportation plans.
Grants	RCTC is a steward of state and federal grants to leverage Measure A dollars and improve our communities.
Local Measure A Value	RCTC invests Measure A dollars into projects and programs that benefit local communities throughout the County.

Staff used these core mission statements and goals to prepare this budget and develop the following short-term objectives to guide further the development of the FY 2021/22 budget.

Capital Project Development and Delivery

- Continue preliminary engineering, design, right of way acquisition, and/or construction of projects included in the Western County Highway Delivery Plan.
- Continue operations planning and design of projects led by other agencies.
- As lead agency for partner agency projects, continue construction of the I-15/Railroad Canyon Interchange project and commence preliminary engineering of the I-10/Highland Springs Avenue Interchange project.
- Consider opportunities to implement technology-based strategies, or Smart Freeway projects, to manage traffic, reduce congestion and pollution, increase safety, and improve the quality of commutes.

- Maintain and enhance communication and collaboration with the California Department of Transportation (Caltrans) to improve the Commission's ability to deliver critical projects.
- Collaborate with local jurisdictions to implement Transportation Uniform Mitigation Fee (TUMF) regional arterial program projects and facilitate the delivery of eligible arterial improvements in western Riverside County (Western County).
- Continue active engagement in state and federal efforts to streamline and modernize the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) to improve the Commission's ability to deliver critical projects.

Operations

- Efficiently operate express lanes and achieve high customer satisfaction through reduction in congestion, mobility improvements, and management of demand.
- Efficiently and cost effectively operate the commuter rail stations and facilities and Perris Valley Line (PVL) rail corridor to ensure reliable high quality commuter rail service.
- Efficiently provide motorist assistance services so that motorists can conveniently travel and use transportation facilities as safely as possible.

Regional Programs

- Maintain an active involvement in state and federal legislative matters to ensure that the Commission receives proper consideration for transportation projects and funding.
- Monitor transit trends and the associated economic, social, and public health factors that impact ridership and create barriers to transit growth.
- Subsidize reliable and cost-effective Metrolink commuter rail service to and from Riverside County; SCRRA is the operator of Metrolink.
- Provide continued leadership in the planning and development of the Coachella Valley-San Geronimo Pass corridor rail service.
- Support innovative programs that provide transit assistance in hard to serve rural areas or for riders with special transit needs.
- Promote cost controls and operating efficiency for transit operators.
- Maintain effective partnerships among commuters, employers, and government to increase the efficiency of our transportation system by encouraging and promoting motorized and non-motorized transportation alternatives such as vanpools.

Management Services

- Maintain close communication with Commissioners and educate policy makers on all issues of importance to the Commission.
- Develop and execute a communications and public engagement strategy for the purposes of education, information, and customer service.
- Maintain administrative program delivery costs below the policy threshold of 4% of Measure A revenues; the FY 2021/22 Management Services budget is 2.00% of Measure A revenues.
- Maintain administrative salaries and benefits at less than 1% of Measure A revenues; the FY 2021/22 administrative salaries and benefits is 0.71% of Measure A revenues.
- Maintain prudent cash reserves to provide some level of insulation for unplanned expenditures.
- Maintain current strong bond ratings with rating agencies.
- Establish and maintain revenues and reserves generated from toll operations to be available for debt service in accordance with toll supported debt agreements; maintenance, repair, rehabilitation, administration and operations; and capital projects within the corridor.

Linking Commission and Departmental Mission Statements

The following matrix (Table 1) illustrates the linkage of the Commission's core mission statements described in this section to the individual departmental mission statements included in each department's section.

Table 1 – Relationship between Commission and Departmental Mission Statements

Department	Quality of Life	Operational Excellence	Connecting the Economy	Responsible Partner
Management Services				
Executive Management	X	X	X	X
Administration		X		
External Affairs	X	X		X
Finance		X		
Regional Programs				
Planning and Programming	X	X	X	X
Rail Maintenance and Operations	X	X	X	X
Public and Specialized Transit	X	X	X	X
Commuter Assistance	X	X	X	X
Motorist Assistance	X	X	X	X
Regional Conservation	X	X	X	X
Capital Project Development and Delivery	X	X	X	X
Toll Operations	X	X	X	X

Budget Overview

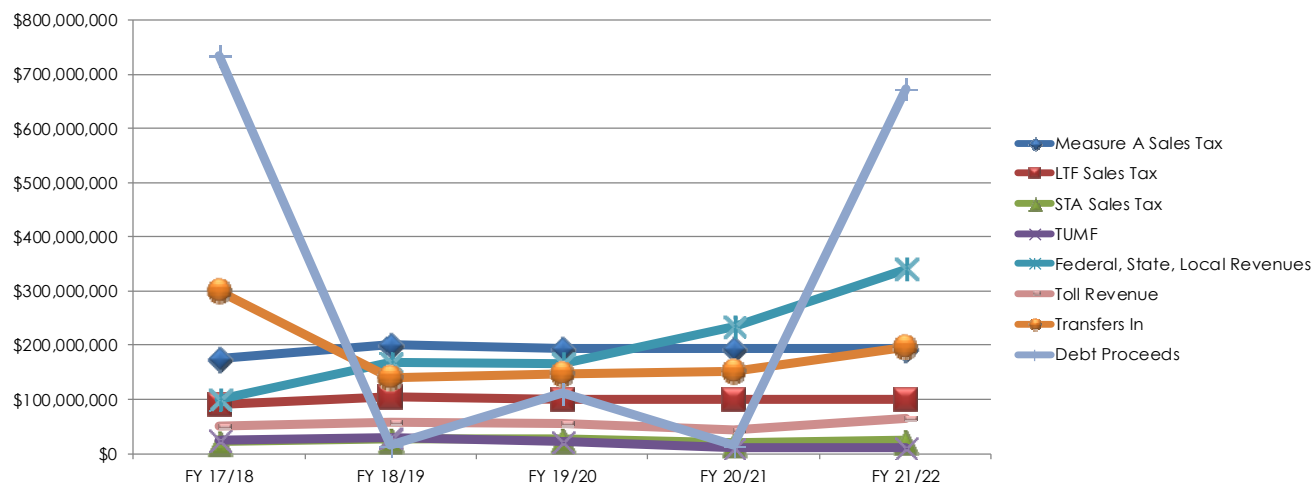
Total sources (Table 2) are budgeted at \$1,605,994,100, an increase of 108% over FY 2020/21 projected sources and 83% increase over the FY 2020/21 budget. Total sources are comprised of revenues of \$735,257,100, transfers in of \$196,240,000, and debt proceeds of \$674,497,000. The projected fund balance at June 30, 2021 available for expenditures/expenses (excluding amounts restricted for debt service of \$11,681,500 and advances receivable of \$19,384,700) is \$969,908,400. Accordingly, total funding available for the FY 2021/22 budget totals \$2,575,902,500.

Table 2 – Sources FY 2020-2022

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Measure A Sales Tax	\$ 195,036,300	\$ 195,000,000	\$ 195,000,000	\$ 195,000,000	\$ -	0%
LTF Sales Tax	100,283,600	100,000,000	100,000,000	100,000,000	-	0%
STA Sales Tax	27,796,500	28,915,700	19,015,100	23,862,200	(5,053,500)	-17%
Intergovernmental	147,620,000	273,315,400	227,107,700	338,753,900	65,438,500	24%
TUMF Revenue	23,257,900	15,500,000	11,000,000	11,000,000	(4,500,000)	-29%
Tolls, Penalties, and Fees	56,434,000	31,718,600	44,545,700	65,123,700	33,405,100	105%
Other Revenue	566,600	549,100	582,400	657,300	108,200	20%
Investment Income	18,491,600	3,545,500	6,462,500	860,000	(2,685,500)	-76%
Transfers In	146,618,000	179,922,600	152,650,800	196,240,000	16,317,400	9%
Debt Proceeds	111,301,900	47,371,900	15,661,000	674,497,000	627,125,100	1324%
TOTAL Sources	\$ 827,406,400	\$ 875,838,800	\$ 772,025,200	\$ 1,605,994,100	\$ 730,155,300	83%

Riverside County has specific competitive advantages over nearby coastal counties (Los Angeles, Orange, and San Diego), including housing that is more available and affordable as well as plentiful commercial real estate and land available for development at lower costs. Prior to the COVID-19 pandemic in early 2020, Riverside County's economy benefitted from employment gains due to the County's ability to attract businesses with lower commercial rents and a skilled labor force. Population migration to the Inland Empire (i.e., Riverside and San Bernardino counties) occurred due to these employment opportunities and a lower cost of living compared to the coastal counties. Improvements in the local labor market and housing advantages had increased economic activity contributing to stable sales tax revenue growth through FY 2018/19 as noted on Chart 3. Following the onset of the pandemic, the local unemployment rate increased while sales tax revenues declined 3% – less than anticipated – in FY 2019/20. During FY 2020/21, the local unemployment rate has declined and sales tax revenues have been better than anticipated. The strong sales tax revenues performance is attributable to the diversified economic taxable sales base in the County.

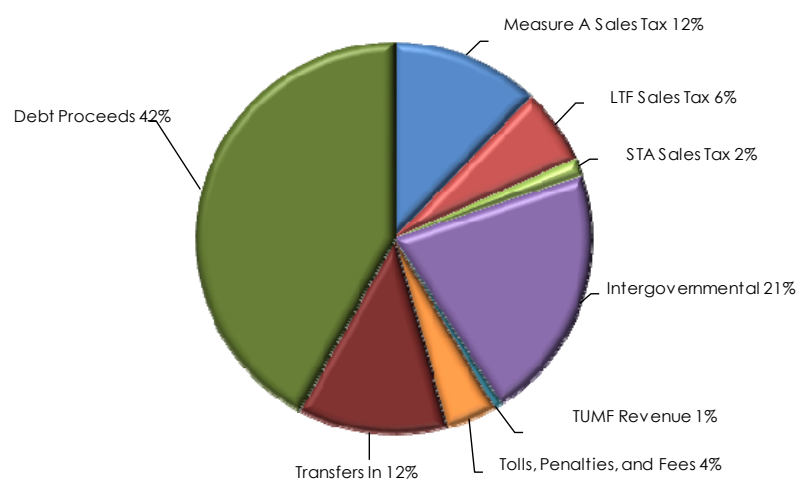
Chart 3 – Sources: Five-Year Trend



Regardless of the current and future economic conditions, the Commission faces formidable ongoing challenges in terms of providing needed infrastructure enhancements to support a population and an economy that has outgrown the capacity of its existing infrastructure. Fortunately, the foundation of the regional economy continues to retain many of the fundamental positive attributes that fueled its earlier growth, including more affordable real estate with proximity to coastal communities, a large pool of skilled workers, and increasing wealth and education levels.

While the Commission's primary revenues are the Measure A and Local Transportation Fund (LTF) sales taxes, other revenues and financing sources are required to fund the Commission's programs and projects as illustrated in Chart 4. The Commission receives Measure A and LTF sales tax revenues from the California Department of Tax and Fee Administration (CDTFA), as statutorily created and authorized successor to the former California State Board of Equalization.

Chart 4 – Sources: Major Categories



After considering the state of the local economy due to COVID-19, staff projects Measure A sales tax revenues of \$195,000,000 for FY 2021/22. This is no change from the FY 2020/21 revised projection of \$195,000,000. Generally the Commission reassesses its sales tax revenue projections at midyear based on the economy and revenue trends; however, the Commission anticipates more frequent reviews throughout FY 2021/22 as the post COVID-19 impacts become known.

On behalf of the County, the Commission administers the LTF for public transportation needs, local streets and roads, and bicycle and pedestrian facilities. The majority of LTF funding received by the County and available for allocation is distributed to all public transit operators in the County. The Commission receives allocations for administration, planning, and programming in addition to funding for Western County rail operations included in the commuter rail Short Range Transit Plan (SRTP). LTF sales tax revenue is budgeted at \$100,000,000, no change from the FY 2020/21 revised projection.

A statewide sales tax on motor vehicle diesel fuel generates State Transit Assistance (STA) funds, which the State Controller allocates by formula to the Commission for allocations to the County's public transit operators. SB 1 provides additional STA revenues, including State of Good Repair (SGR) funds for transit maintenance, rehabilitation, and capital projects. The FY 2021/22 STA/SGR allocations, based on recent State estimates, is \$23,862,200.

Intergovernmental revenues include reimbursement revenues from federal sources of \$107,431,400, state sources of \$210,931,000, and local agencies of \$20,391,500 for highway and rail capital projects, rail operations and station maintenance, commuter assistance, and motorist assistance programs as well as planning and programming activities. The increase of 24% in FY 2021/22 compared to the FY 2020/21 budget is related to increases in federal and state agency reimbursements offset by a decrease in local reimbursements. SB 132 provides state funding for the 15/91 Express Lanes Connector and pass-through funding to the County for the Hamner Bridge widening and to the County and city of Corona for grade separation projects. Other state reimbursements will fund the SR-60 Truck Lanes, 71/91 Connector, Mid County Parkway (MCP) I-215/Placentia Avenue Interchange, I-15/Railroad Canyon Interchange, and station rehabilitation projects. Federal reimbursements provide funding for the I-15 Express Lanes–Southern Extension, SR-91 Corridor Operations Project (91 COP), SR-60 Truck Lanes, 71/91 Connector, Pachappa Underpass, MCP second construction package, and station rehabilitation projects. In connection with the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Commission anticipates that less than 2% of federal revenues will primarily support commuter rail stations and the commuter assistance program. Reimbursement revenues vary from year to year depending on project activities and funding levels.

Based on an amended Memorandum of Understanding (MOU) with the Western Riverside Council of Governments (WRCOG), the Commission receives 45.7% of TUMF revenues (as updated by the most recent Nexus study). TUMF represents fees assessed on new residential and commercial development in Western County. The Commission projects FY 2021/22 TUMF fees at \$11,000,000. The 29% decrease is related to additional TUMF zone reimbursements in the prior year for the Lake Elsinore I-15/Railroad Canyon Interchange project.

FY 2020/21 marked the fourth complete fiscal year of toll operations for the RCTC 91 Express Lanes following substantial completion of the 91 Project in March 2017. Since opening and through February 2020, the RCTC 91 Express Lanes traffic and toll revenues surpassed initial 2013 financing assumptions and an updated Riverside County 91 Express Lanes Extension Investment Grade Traffic and Revenue Study approved by the Commission in December 2018. As a result of COVID-19 stay at home orders, traffic and related revenues on the RCTC 91 Express Lanes declined below the 2018 updated study; however, traffic and related revenues have improved through February 2021 with traffic levels approximately 26% and revenues 41% lower than the same period through February 2020. Based on the anticipated impacts of post COVID-19 on the RCTC 91 Express Lanes, the Commission conservatively estimates FY 2021/22 toll revenues, penalties and fees of \$41,551,900 — a 47% increase from the FY 2020/21 projected revenues of \$28,205,000.

FY 2020/21 marked the initial year of toll operations for the 15 Express Lanes following substantial completion of the I-15 Express Lanes Project and opening of the 15 Express Lanes in April 2021. For FY 2021/22, the Commission projects \$23,571,800 in toll revenues, penalties and fees for the 15 Express Lanes.

Other revenue of \$657,300 includes property management generated from properties acquired in connection with various highway and rail properties.

The Commission anticipates a 76% decrease in FY 2021/22 investment income due to extremely conservative investment yield projections resulting from lower interest rates in FY 2020/21. The FY 2021/22 budget projects investment income at a 0.10% investment yield, compared to at least 0.50% in recent prior year budgets.

Transfers in of \$196,240,000 relate primarily to the transfer of available debt proceeds for highway projects; LTF funding for general administration, planning and programming, rail operations, and grade separation project allocations; approved interfund allocations for specific projects and administrative cost allocations; and debt service requirements from highway, new corridors, and regional arterial funds. Debt proceeds consist of \$6,919,000 in drawdowns from the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan related to the I-15 Express Lanes Project and \$667,578,000 in senior lien and second lien toll revenue refunding bonds (2020 Refunding Bonds) from the anticipated refinancing of the Commission's 2013 Toll Revenue Senior Lien Current Interest Bonds and 2013 TIFIA Loan related to the 91 Project.

Total uses (Table 3), including transfers out of \$196,240,000, are budgeted at \$1,748,604,000, a 79% increase from the prior year budget amount of \$979,349,700. Program expenditures and transfers out totaling \$997,087,400 represent 57% of total budgeted uses in FY 2021/22. Program costs increased by 13% from \$880,658,200 in FY 2020/21 due to projects and programs identified below.

Table 3 – Uses FY 2020-2022

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Capital Highway, Rail, and Regional Arterials	\$ 422,079,000	\$ 586,548,100	\$ 408,752,400	\$ 633,370,100	\$ 46,822,000	8%
Capital Local Streets and Roads	58,983,400	59,152,100	59,152,100	59,138,400	(13,700)	0%
Commuter Assistance	3,938,600	5,333,900	3,356,500	4,785,600	(548,300)	-10%
Debt Service	76,885,000	76,638,900	76,948,600	729,093,600	652,454,700	851%
Management Services	20,849,300	22,052,600	19,789,600	22,423,000	370,400	2%
Motorist Assistance	7,334,000	8,994,900	6,981,800	9,096,100	101,200	1%
Planning and Programming	8,078,200	8,202,700	5,020,000	8,121,100	(81,600)	-1%
Public and Specialized Transit	124,913,900	123,932,200	74,284,200	164,063,200	40,131,000	32%
Rail Maintenance and Operations	31,015,900	51,199,500	40,245,500	42,153,100	(9,046,400)	-18%
Regional Conservation	-	2,050,000	2,030,300	5,570,500	3,520,500	172%
Toll Operations	16,299,800	35,244,800	25,799,100	70,789,300	35,544,500	101%
TOTAL Uses	\$ 770,377,100	\$ 979,349,700	\$ 722,360,100	\$ 1,748,604,000	\$ 769,254,300	79%

Note: Management Services includes Executive Management, Administration, External Affairs, and Finance.

Capital highway, rail, and regional arterials budgeted uses of \$633,370,100 are 8% higher compared to the FY 2020/21 budget due to project activity on the I-15 Corridor Operations Project (15 COP), 15/91 Express Lanes Connector, County Hamner Bridge widening, County and city of Corona grade separation projects, MCP second construction package, 71/91 Connector, SR-60 Truck Lanes, and completion and close-out activities on the I-15 Express Lanes Project and 91 Project.

Local streets and roads expenditures of \$59,138,400 is comparative to the FY 2020/21 budget and represent the disbursements of 2009 Measure A to local jurisdictions for the construction, repair, and maintenance of local streets and roads.

Commuter assistance budgeted expenditures of \$4,785,600 are 10% lower than the FY 2020/21 budget due to a decline in projected vanpools and restructuring of rideshare/vanpool platforms.

Debt service of \$729,093,600 includes the refinancing of the 91 Project toll debt with proceeds from the 2020 Refunding Bonds. The Commission approved and budgeted for the refinancing in March 2020;

however, the Commission postponed the refinancing to FY 2021/22 due to market disruptions caused by COVID-19.

Management services expenditures of \$22,423,000 increased 2% due to four new positions approved by the Commission in November 2020. The positions were necessary for workload management and continuance of service levels specifically for the Finance and External Affairs departments in connection with the Commission serving as the management agency for the Western Riverside County Regional Conservation Authority (RCA) effective January 1, 2021. Expenditures include information technology equipment upgrades, communication and engagement efforts, financial advisory services, and debt service contribution.

Motorist assistance expenditures of \$9,096,100 increased 1% due to transfers out for SAFE matching funds to Freeway Service Patrol (FSP) and commuter assistance special projects.

Planning and programming budgeted expenditures of \$8,121,100 reflect a 1% decrease and is comparable to the FY 2020/21 budget.

Public and specialized transit budgeted expenditures of \$164,063,200 are 32% higher than the FY 2020/21 budget. With the increased federal funds available to help respond to COVID-19, operating subsidy expenditures for public transit decreased in the previous year.

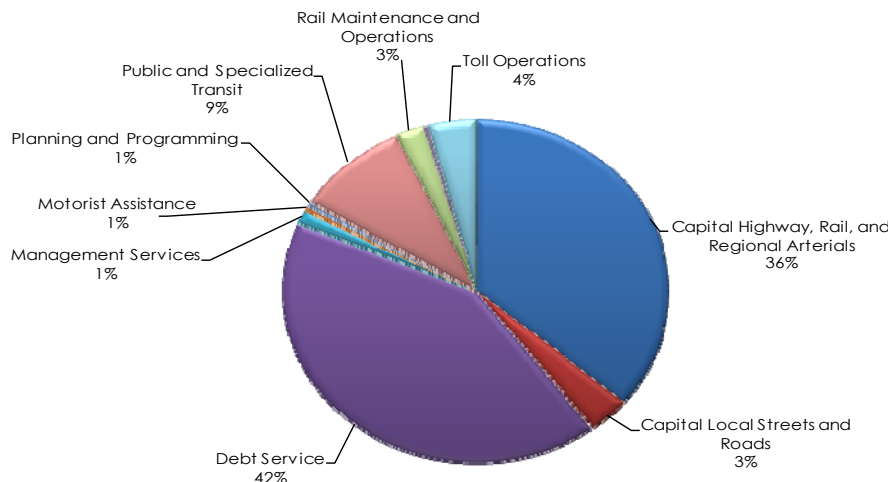
The rail maintenance and operations budgeted expenditures of \$42,153,100 are 18% lower than the FY 2020/21 budget due to the inability to obtain access agreements with the host railroads for the Indio special events train platform for the Coachella Valley-San Geronio Pass Corridor rail service.

Regional conservation budgeted expenditures of \$5,570,500 reflect a full year serving as the managing agency for the RCA, as FY 2020/21 includes six months after the effective date of the Implementation and Management Services Agreement between the Commission and the RCA.

Toll operations expenses are budgeted at \$70,789,300 to manage the operations, maintenance, and capital support of the RCTC 91 Express Lanes and 15 Express Lanes and to pay interest on 91 Express Lanes toll revenue debt. The 101% increase is due to a full year of 15 Express Lanes operations following opening in April 2021, required repair and rehabilitation activity on the RCTC 91 Express Lanes, and transfer of surplus toll revenues for the 15/91 Express Lanes Connector project.

Chart 5 is an illustration of total uses included in the FY 2021/22 budget by major categories.

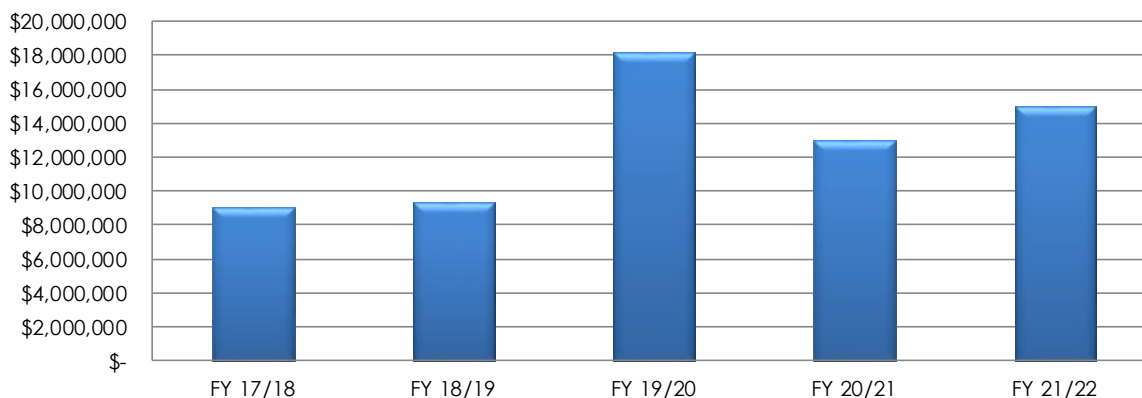
Chart 5 – Uses: Major Categories



Commission Personnel

The Commission's salaries and benefits total \$15,005,000 for FY 2021/22. This represents an increase of \$1,859,000 or 14% over the FY 2020/21 budget of \$13,146,000 (Chart 6). The increase relates primarily to additional staff positions related to regional conservation and to maintain management services levels for a full year, reinstating funding for previously approved positions, a 4% pool for performance merit-based salary increases, and an annual salary range cost of living adjustment. The 18% decrease from FY 2019/20 is due to the Commission's one-time disbursement to fund the California Public Employees Retirement System (CalPERS) net pension liability of \$8.6 million. The Commission's salary schedule for FY 2021/22 is included in Appendix B and complies with Government Code §20636 "Compensation Earnable" and California Code of Register §570.5, "Requirements for a Publicly Available Pay Schedule."

Chart 6 – Salaries and Benefits Cost: Five-Year Comparison



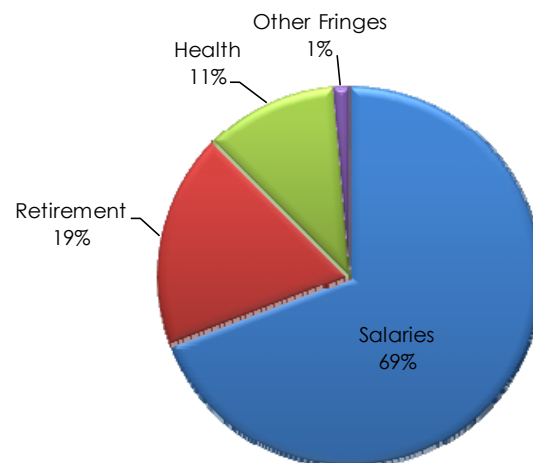
The 73 full-time equivalent (FTE) positions included in the FY 2021/22 budget (Table 4) remains consistent with the FY 2020/21 budget and reflects an increase of 23 FTE from FY 2019/20. The 23 FTEs include 15 regional conservation positions related to serving as managing agency for the RCA, four new management services positions, and reinstatement of funding for four approved but unfilled RCTC positions.

The Commission accomplished significant organization changes over the last year related to management of the RCA, toll operations, and various projects requiring substantial attention at many staff levels. Management continues to be firmly committed to the intent of the Commission's enabling legislation requiring a lean organization. The Commission will continue providing staff the tools needed to ensure an efficient and productive work environment. However, small should not be viewed in an absolute context; it is relative to the required tasks and the demands to be met.

Table 4 – Full-Time Equivalents by Department FY 2020—2022

	FY 19/20	FY 20/21	FY 21/22
Executive Management	0.8	1.3	0.8
Administration	5.3	5.6	5.7
External Affairs	3.0	3.4	3.4
Finance	9.3	10.7	9.4
Planning and Programming	5.8	4.8	5.6
Rail Maintenance and Operations	3.5	4.4	4.4
Public and Specialized Transit	2.7	2.7	2.7
Commuter Assistance	1.5	1.8	1.7
Motorist Assistance	0.8	1.1	1.4
Regional Conservation	0.0	15.8	17.5
Capital Project Development and Delivery	13.3	17.3	13.7
Toll Operations	4.0	4.1	6.7
TOTAL	50.0	73.0	73.0

The Commission provides a comprehensive package of benefits to employees. The package includes: health, dental, vision, life insurance, short and long-term disability, workers' compensation, tuition assistance, sick and vacation leave, retirement benefits in the form of participation in the CalPERS, postretirement health care, deferred compensation, and employee assistance program. Chart 7 illustrates the compensation components.

Chart 7 – Personnel Salaries and Benefits

Department Initiatives

Staff prepared each department's budget based on key assumptions, accomplishments in FY 2020/21, major initiatives for FY 2021/22, and department goals and related objectives. Tables 5 through 16 present the key initiatives and summary of expenditures/expenses for each department. The department budgets section contains detailed discussions about each department.

Executive Management

- Continue project development and delivery as the key Measure A priority.
- Foster growth in usage of express lanes and ensure their financial success.
- Actively monitor, assess, and manage financial implications of the COVID-19 crisis.
- Influence and monitor the implementation of SB 743 related to transportation impacts analysis and mitigation as part of CEQA.

- Continue planning efforts to advance passenger rail service in the Coachella Valley-San Geronio Pass Corridor.
- Advocate for state and federal investments in transportation to fund needed transportation priorities in the County and stimulate the local economy.
- Maintain regional cooperation and collaboration as a significant effort consistent with the philosophy and mission of the Commission.
- Support a comprehensive social media outreach program to build awareness of the Commission and its role in the community.
- Maintain an effective mid-sized transportation agency with dedicated staff.

Table 5 – Executive Management

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 628,300	\$ 482,200	\$ 482,200	\$ 345,300	\$ (136,900)	-28%
Professional	234,000	300,000	300,000	300,000	-	0%
Support	61,800	91,800	80,900	91,800	-	0%
TOTAL	\$ 924,100	\$ 874,000	\$ 863,100	\$ 737,100	\$ (136,900)	-16%

Administration

- Provide high quality support services to the Commission and to internal and external customers.
- Maintain transparency and public accessibility to Commission business during COVID-19 crisis.
- Maintain an accurate and efficient electronic records management system.
- Provide timely communications and high quality support services to Commissioners.
- Update technology to improve internal processes and interaction with the public.
- Support and develop a motivated workforce with a framework of activities and practices that comply with employment laws and regulations.

Table 6 – Administration

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 1,418,600	\$ 767,600	\$ 766,800	\$ 884,500	\$ 116,900	15%
Professional	1,029,500	1,113,600	1,011,500	1,241,600	128,000	11%
Support	823,500	1,212,400	887,600	1,350,400	138,000	11%
Capital Outlay	132,900	405,000	-	360,000	(45,000)	-11%
Debt Service	15,800	-	-	-	-	N/A
TOTAL	\$ 3,420,300	\$ 3,498,600	\$ 2,665,900	\$ 3,836,500	\$ 337,900	10%

External Affairs

- Develop effective partnerships with transportation providers to communicate a unified message to Congress regarding mobility needs.
- Advocate on behalf of Riverside County's interests regarding the implementation of SB 743 and the State's Climate Action Plan for Transportation Infrastructure (CAPTI).
- Advocate positions in the State Legislature and in Congress that advance the County's transportation interests.
- Continue a leadership role in formulating a countywide direction on federal transportation policies.
- Conduct a concerted outreach effort to new federal and state representatives on local transportation issues.
- Use modern technology to support a robust public communication and engagement effort focusing on accessible and transparent communication of the Commission's projects and programs.
- Build awareness and support for the RCA and the implementation of the Multiple Species Habitat Conservation Plan (MSHCP).

Table 7 – External Affairs

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 1,255,300	\$ 734,600	\$ 729,500	\$ 829,200	\$ 94,600	13%
Professional	671,800	1,020,500	990,500	1,014,900	(5,600)	-1%
Support	108,500	232,100	201,500	230,500	(1,600)	-1%
TOTAL	\$ 2,035,600	\$ 1,987,200	\$ 1,921,500	\$ 2,074,600	\$ 87,400	4%

Finance

- Proactively monitor, assess, manage, and minimize COVID-19 crisis financial impacts on the Commission's programs and projects to the maximum extent possible.
- Continue appropriate uses of long- and short-term financing to advance the Commission's 2009 Measure A projects.
- Provide support to the RCTC 91 Express Lanes and 15 Express Lanes toll operations contractor back offices to ensure the proper accounting of toll revenues and operations and maintenance costs.
- Keep abreast of Governmental Accounting Standards Board technical activities affecting the Commission's accounting and financial reporting activities and implement new pronouncements.
- Upgrade the Enterprise Resource Planning (ERP) system to benefit all staff in the management of accounting and project information and automation of a paperless workflow system.
- Manage a centralized procurements process in order to strengthen controls and ensure consistency in the application of procurement policies and procedures and adherence to applicable laws and regulations.
- Support outreach activities to encourage disadvantaged business enterprise (DBE) and small business enterprise (SBE) participation in various contracts.

Table 8 – Finance

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 2,569,200	\$ 1,686,500	\$ 1,672,800	\$ 1,676,700	\$ (9,800)	-1%
Professional	1,390,700	2,416,300	1,819,000	2,217,000	(199,300)	-8%
Support	359,400	669,000	678,000	933,800	264,800	40%
Capital Outlay	132,500	913,300	161,600	870,000	(43,300)	-5%
Transfers Out	10,033,300	10,007,700	10,007,700	10,077,300	69,600	1%
TOTAL	\$ 14,485,100	\$ 15,692,800	\$ 14,339,100	\$ 15,774,800	\$ 82,000	1%

Planning and Programming

- Monitor funding authority and responsibility related to the State Transportation Improvement Program (STIP).
- Ensure administration and implementation of STIP/Regional Improvement Program (RIP), Active Transportation Program (ATP), and other funded projects consistent with California Transportation Commission (CTC), Caltrans, and Southern California Association of Governments (SCAG) policies.
- Continue to strategically program projects for all local agencies countywide into the Federal Transportation Improvement Program (FTIP) and obligate funds in an expeditious manner for the maximum use of all available funding, including monitoring the use of such funding to prevent from lapsing.
- Monitor all projects programmed to receive 2009 Measure A, TUMF, state, and federal funds to ensure timely delivery and prevent funds from lapsing.
- Focus on interregional concerns and maintain effective working relationships involving various multi-county transportation issues.
- Coordinate planning efforts with regional and local agencies relating to the development of Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and greenhouse gas reduction (GHG) implementation guidelines.
- Administer the Bicycle and Pedestrian Facilities Program (SB 821).

Table 9 – Planning and Programming

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 2,479,900	\$ 1,028,000	\$ 1,010,600	\$ 1,333,600	\$ 305,600	30%
Professional	950,300	1,167,300	314,000	473,000	(694,300)	-59%
Support	573,300	1,367,100	12,100	28,600	(1,338,500)	-98%
Projects and Operations	3,149,700	3,578,900	2,621,900	5,445,200	1,866,300	52%
Transfers Out	925,000	1,061,400	1,061,400	840,700	(220,700)	-21%
TOTAL	\$ 8,078,200	\$ 8,202,700	\$ 5,020,000	\$ 8,121,100	\$ (81,600)	-1%

Rail Maintenance and Operations

- As a member of the SCRRA, continue active participation in the governance and operations of the Metrolink commuter rail system.
- Continue the planning and implementation of capital improvements at the commuter rail stations in the County, including security and rehabilitation projects and meeting parking requirements.
- Continue to support and evaluate activities related to the PVL service, such as promoting ridership especially for weekend service.
- Establish the best approach to build, maintain, and operate cost effective and environmentally sustainable facilities that meet the public's transportation needs.
- Lead the service development process and actively coordinate with all stakeholders along the Coachella Valley-San Geronio Pass Corridor for intercity passenger rail service.
- Advance the next generation rail feasibility study to evaluate future growth opportunities for passenger rail in the County.

Table 10 – Rail Maintenance and Operations

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 1,347,200	\$ 866,700	\$ 866,700	\$ 855,600	\$ (11,100)	-1%
Professional	858,600	2,530,000	1,282,900	1,972,900	(557,100)	-22%
Support	2,789,400	4,021,100	2,732,300	3,630,400	(390,700)	-10%
Projects and Operations	25,098,800	41,498,400	34,051,300	34,613,700	(6,884,700)	-17%
Capital Outlay	167,300	528,500	405,200	180,000	(348,500)	-66%
Transfers Out	754,600	1,754,800	907,100	900,500	(854,300)	-49%
TOTAL	\$ 31,015,900	\$ 51,199,500	\$ 40,245,500	\$ 42,153,100	\$ (9,046,400)	-18%

Public and Specialized Transit

- Coordinate the operation of all public transportation services, especially for disadvantaged communities and essential workers, within the County by promoting program efficiency between transit operators.
- Monitor and coordinate federal stimulus (CARES Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act of 2021 (ARPA)) allocations for COVID-19-related service impacts with transit operators.
- Monitor and coordinate state and federal regulations for operating and/or capital impacts with transit operators.
- Continue public transit operator oversight and fiduciary responsibilities to ensure completion of annual fiscal audits and state triennial performance audits in accordance with Transportation Development Act (TDA) regulations.
- Support innovative programs that provide transit assistance in hard to serve rural areas or for riders having very special transit needs and monitor funding of these programs.
- Continue long-range planning activities to ensure that anticipated revenues are in line with projected levels of service by transit operators.
- Develop a TDA manual for transit operators receiving allocations from the Commission.

Table 11 – Public and Specialized Transit

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 878,400	\$ 523,100	\$ 450,000	\$ 551,700	\$ 28,600	5%
Professional	287,200	579,700	326,600	1,179,700	600,000	104%
Support	45,100	91,600	67,700	115,600	24,000	26%
Projects and Operations	99,483,500	101,383,700	55,546,100	143,681,400	42,297,700	42%
Transfers Out	24,219,700	21,354,100	17,893,800	18,534,800	(2,819,300)	-13%
TOTAL	\$ 124,913,900	\$ 123,932,200	\$ 74,284,200	\$ 164,063,200	\$ 40,131,000	32%

Commuter Assistance

- Operate a cost-effective Transportation Demand Management (TDM) program within the County that results in a reduction of single occupant vehicles, vehicle miles traveled, and emissions.
- Transition from a locally provisioned Inland Empire-based rideshare and vanpool system to a regional platform/database.
- Maintain and grow employer partnerships through value-added services and tools for rideshare and telework programs.
- Evaluate the feasibility of expanding Commuter Assistance services and incentives to the Coachella Valley to stimulate countywide employer and TDM participation.
- Maintain the long-term partnership with San Bernardino County Transportation Authority (SBCTA) to manage and implement a “sister” commuter assistance program for residents and employers in San Bernardino County; release a request for proposals (RFP) for the Commission and SBCTA's next evolution of the region's TDM program.
- Optimize park and ride facilities to support shared-ride arrangements and facilitate transit connections.

Table 12 – Commuter Assistance

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 638,200	\$ 401,700	\$ 401,700	\$ 321,800	\$ (79,900)	-20%
Professional	441,900	747,700	477,400	509,200	(238,500)	-32%
Support	18,900	179,700	3,500	57,900	(121,800)	-68%
Projects and Operations	2,561,500	3,742,000	2,211,100	3,600,600	(141,400)	-4%
Transfers Out	278,100	262,800	262,800	296,100	33,300	13%
TOTAL	\$ 3,938,600	\$ 5,333,900	\$ 3,356,500	\$ 4,785,600	\$ (548,300)	-10%

Motorist Assistance

- Maintain a high benefit-to-cost ratio related to the performance of the FSP program.
- Transition from a locally provisioned IE511 system to a regional southern California 511 solution.
- Implement a “mobile” call box program to supplement the existing fixed call box system and enhance access to motorist aid call center services.

Table 13 – Motorist Assistance

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 279,300	\$ 207,600	\$ 207,600	\$ 224,900	\$ 17,300	8%
Professional	361,100	534,500	491,300	535,300	800	0%
Support	272,300	203,800	170,800	203,600	(200)	0%
Projects and Operations	3,726,800	5,433,000	3,856,100	5,227,000	(206,000)	-4%
Transfers Out	2,694,500	2,616,000	2,256,000	2,905,300	289,300	11%
TOTAL	\$ 7,334,000	\$ 8,994,900	\$ 6,981,800	\$ 9,096,100	\$ 101,200	1%

Regional Conservation

- Maintain commitment to protecting sensitive habitat and ensuring open space is a key component in enhancing the quality of life for local residents.
- Strengthen communications to stakeholders, members of the public, and elected officials to be transparent about the RCA's conservation efforts, funding, and collaboration opportunities.
- Build upon relationships with local, state and federal agencies to manage lands purchased or controlled by the RCA.

Table 14 – Regional Conservation

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,337,700	\$ 1,837,700	123%
Professional	-	86,200	72,500	243,900	157,700	183%
Support	-	7,800	7,800	60,300	52,500	673%
Projects and Operations	-	256,000	250,000	500,000	244,000	95%
Transfers Out	-	200,000	200,000	1,428,600	1,228,600	614%
TOTAL	\$ -	\$ 2,050,000	\$ 2,030,300	\$ 5,570,500	\$ 3,520,500	172%

Capital Project Development and Delivery

- Continue project work on the 91 COP, I-15 Express Lanes–Southern Extension, 15/91 Express Lanes Connector, 15 COP, I-215/Placentia Avenue Interchange improvement, 71/91 Connector, SR-60 Truck Lanes, and MCP and Smart Freeway projects included in the Western County Delivery Plan as well as projects on behalf of other agencies, including the I-15/Railroad Canyon Interchange, I-10/Highland Springs Road Interchange, and Santa Ana River Trail.
- Continue design and operations planning of the 241/91 Express Lanes Connector and I-15 Express Lanes–Northern Extension led by other agencies.
- Provide 2009 Measure A funding to the incorporated cities and the County for local streets and roads maintenance, repair, and construction and to the Coachella Valley Association of Governments (CVAG) for highways and regional arterials.
- Provide TUMF regional arterial funding and support to local jurisdictions for regional arterial project engineering, right of way acquisition, and construction.
- Maintain a right of way acquisition and management program in support of capital projects and in the most cost effective manner within project schedules, while adhering to federal and state regulations.
- Maintain and manage the access, use, safety, and security of Commission-owned properties including commuter rail stations, properties in acquisition process, and income-generating properties.
- Develop strategies to implement alternative financing structures including public express lanes.

Table 15 – Capital Project Development and Delivery

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 5,909,500	\$ 3,584,000	\$ 3,583,200	\$ 3,094,800	\$ (489,200)	-14%
Professional	2,842,600	4,303,700	2,574,800	4,586,300	282,600	7%
Support	526,100	2,457,900	2,140,000	1,478,600	(979,300)	-40%
Projects and Operations	363,630,200	489,901,600	337,042,300	537,510,500	47,608,900	10%
Capital Outlay	3,364,700	3,927,500	3,642,500	4,769,700	842,200	21%
Debt Service	69,749,300	69,519,000	69,828,700	70,037,700	518,700	1%
Transfers Out	104,789,300	141,525,500	118,921,700	141,068,600	(456,900)	0%
TOTAL	\$ 550,811,700	\$ 715,219,200	\$ 537,733,200	\$ 762,546,200	\$ 47,327,000	7%

Toll Operations

- Manage the operations of the RCTC 91 Express Lanes and 15 Express Lanes adhering to the Commission's Express Lanes toll policies.
- Manage toll operations using investment grade traffic and revenue studies and cost estimate assumptions specific to each express lane facility.
- Provide timely and effective reporting of toll operation metrics including revenue, transactions, carpool usage, and performance indicators.
- Support the design-build activities related to the 15/91 Express Lanes Connector and the design and development led by other agencies related to the 241/91 Express Lanes Connector and I-15 Express Lanes –Northern Extension.
- Participate in the California Toll Operators Committee (CTOC) to advance regional and statewide tolling initiatives, technology, interoperability, and coordination among California toll agencies.

Table 16 – Toll Operations

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Personnel	\$ 786,200	\$ 1,364,000	\$ 1,364,000	\$ 1,549,200	\$ 185,200	14%
Professional	1,341,700	6,072,900	3,084,300	4,992,000	(1,080,900)	-18%
Support and Maintenance	3,321,300	5,576,100	3,462,700	8,775,500	3,199,400	57%
Projects and Operations	7,509,800	20,783,200	16,744,500	35,104,500	14,321,300	69%
Capital Outlay	417,300	308,300	3,300	180,000	(128,300)	-42%
Debt Service	7,119,900	7,119,900	7,119,900	659,055,900	651,936,000	9157%
Transfers Out	2,923,500	1,140,300	1,140,300	20,188,100	19,047,800	1670%
TOTAL	\$ 23,419,700	\$ 42,364,700	\$ 32,919,000	\$ 729,845,200	\$ 687,480,500	1623%

Fund Balances

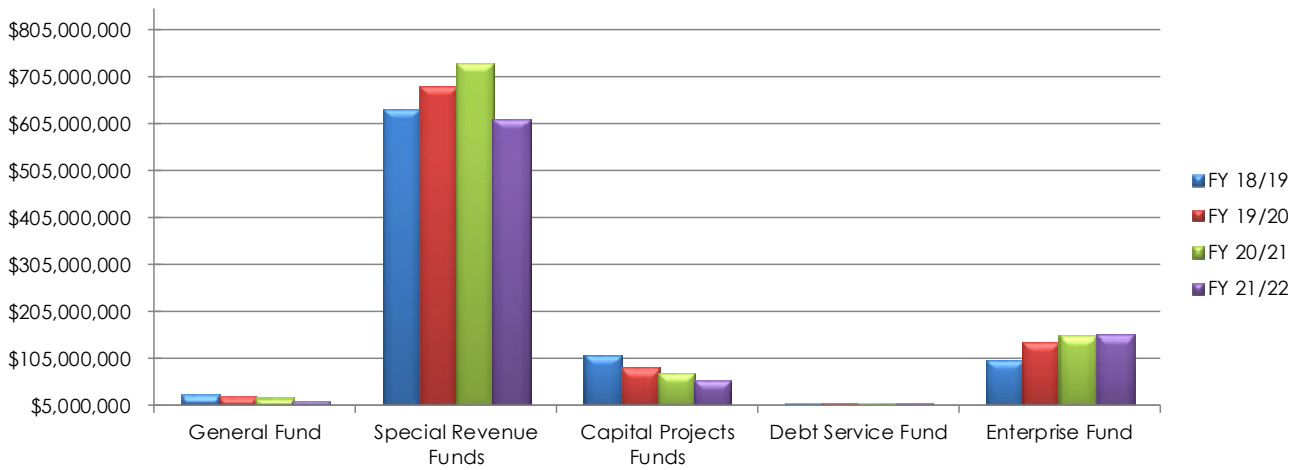
The projected total fund balance as of June 30, 2021 is \$1,000,974,600. The Commission expects the FY 2021/22 budgeted activities to result in an \$142,609,900 decrease of total fund balance at June 30, 2022 to \$858,364,700. The primary cause of the decrease is project activities in FY 2021/22 related to the I-15 Express Lanes Project completion, MCP project, I-15/Railroad Canyon Interchange, close-out activity on the 91 Project, rail station rehabilitation and maintenance, Western County Measure A and TUMF regional arterial projects, and public transit allocations. Table 17 presents the components of the projected fund balance by program at June 30, 2022.

Table 17 – Projected Fund Balances by Fund Type and Program at June 30, 2022

	Measure A Sales Tax				Total
	Western County	Coachella Valley	Palo Verde	Other	
Restricted:					
Bond Financing	\$ 16,239,600	\$ -	\$ -	\$ -	\$ 16,239,600
Commuter Assistance	16,208,900	-	-	-	16,208,900
Debt Service	-	-	-	11,693,200	11,693,200
Economic Development	6,853,900	-	-	-	6,853,900
Highways	40,494,300	43,823,700	-	60,412,600	144,730,600
New Corridors	54,373,300	-	-	-	54,373,300
Planning and Programming	-	-	-	1,610,500	1,610,500
Public and Specialized Transit	6,915,200	1,062,000	-	264,248,300	272,225,500
Rail	43,160,100	-	-	9,966,200	53,126,300
CETAP	-	-	-	26,806,100	26,806,100
Regional Arterials	58,574,500	-	-	23,115,400	81,689,900
Motorist Assistance	-	-	-	10,196,500	10,196,500
Toll Operations	-	-	-	157,784,000	157,784,000
Assigned:					
Management Services	-	-	-	4,826,400	4,826,400
TOTAL Fund Balance	\$ 242,819,800	\$ 44,885,700	\$ -	\$ 570,659,200	\$ 858,364,700

Chart 8 illustrates the actual and projected trends in fund balances for each governmental and enterprise fund type from FY 2018/19 through FY 2021/22.

Chart 8 – Projected Fund Balance Trends by Fund Type FY 2019 – 2022



Budget Summary

The overall budget for FY 2021/22 is presented in Table 18 by summarized line items, Table 19 by operating and capital classifications, and Table 20 by fund type. Highway, regional arterial, rail, and regional conservation program projects expenditures are summarized in Table 21.

Table 18 – Budget Comparative by Summarized Line Item FY 2020—2022

	FY 19/20 Actual	FY 20/21 Revised Budget	FY 20/21 Projected	FY 21/22 Budget	Dollar Change	Percent Change
Revenues						
Measure A Sales Tax	\$ 195,036,300	\$ 195,000,000	\$ 195,000,000	\$ 195,000,000	\$ -	0%
LTF Sales Tax	100,283,600	100,000,000	100,000,000	100,000,000	-	0%
STA Sales Tax	27,796,500	28,915,700	19,015,100	23,862,200	(5,053,500)	-17%
Federal Reimbursements	34,120,400	103,535,700	71,624,500	107,431,400	3,895,700	4%
State Reimbursements	109,840,500	149,063,600	140,552,600	210,931,000	61,867,400	42%
Local Reimbursements	3,659,100	20,716,100	14,930,600	20,391,500	(324,600)	-2%
TUMF Revenue	23,257,900	15,500,000	11,000,000	11,000,000	(4,500,000)	-29%
Tolls, Penalties, and Fees	56,434,000	31,718,600	44,545,700	65,123,700	33,405,100	105%
Other Revenue	566,600	549,100	582,400	657,300	108,200	20%
Investment Income	18,491,600	3,545,500	6,462,500	860,000	(2,685,500)	-76%
TOTAL Revenues	569,486,500	648,544,300	603,713,400	735,257,100	86,712,800	13%
Expenditures/Expenses						
Personnel Salaries and Benefits	18,190,100	13,146,000	13,035,100	15,005,000	1,859,000	14%
Professional and Support						
Professional Services	10,409,400	20,872,400	12,744,800	19,265,800	(1,606,600)	-8%
Support Costs	8,899,600	16,110,400	10,444,900	16,957,000	846,600	5%
TOTAL Professional and Support Costs	19,309,000	36,982,800	23,189,700	36,222,800	(760,000)	-2%
Projects and Operations						
Program Operations	22,888,500	39,249,300	31,794,400	41,120,600	1,871,300	5%
Engineering	10,969,300	30,450,200	17,366,100	26,462,300	(3,987,900)	-13%
Construction	74,650,500	206,182,700	132,862,700	266,474,600	60,291,900	29%
Design Build	143,977,800	100,615,600	60,650,100	97,959,000	(2,656,600)	-3%
Right of Way/Land	52,766,300	57,738,700	32,227,600	67,546,600	9,807,900	17%
Operating and Capital Disbursements	125,896,800	138,032,200	88,120,300	174,960,400	36,928,200	27%
Special Studies	482,900	1,403,000	150,000	2,021,000	618,000	44%
Local Streets and Roads	58,983,400	59,152,100	59,152,100	59,138,400	(13,700)	0%
Regional Arterials	14,544,800	33,753,000	30,000,000	30,000,000	(3,753,000)	-11%
TOTAL Projects and Operations	505,160,300	666,576,800	452,323,300	765,682,900	99,106,100	15%
Debt Service						
Principal Payments	27,253,700	28,495,000	28,495,000	518,386,600	489,891,600	1719%
Interest Payments	49,631,300	48,143,900	48,453,600	60,335,600	12,191,700	25%
Cost of Issuance	-	-	-	2,883,400	2,883,400	N/A
TOTAL Debt Service	76,885,000	76,638,900	76,948,600	581,605,600	504,966,700	659%
Capital Outlay	4,214,700	6,082,600	4,212,600	6,359,700	277,100	5%
TOTAL Expenditures/Expenses	623,759,100	799,427,100	569,709,300	1,404,876,000	605,448,900	76%
Excess (deficiency) of Revenues over (under) Expenditures/Expenses	(54,272,600)	(150,882,800)	34,004,100	(669,618,900)	(518,736,100)	344%
Other Financing Sources (Uses)						
Transfers In	146,618,000	179,922,600	152,650,800	196,240,000	16,317,400	9%
Transfers Out	(146,618,000)	(179,922,600)	(152,650,800)	(196,240,000)	(16,317,400)	9%
Debt Proceeds	-	-	-	627,600,000	627,600,000	N/A
TIFIA Loan Proceeds	111,301,900	47,371,900	15,661,000	6,919,000	(40,452,900)	-85%
Bond Premium	-	-	-	39,978,000	39,978,000	N/A
Payment to Escrow Agent	-	-	-	(147,488,000)	(147,488,000)	N/A
Net Financing Sources (Uses)	111,301,900	47,371,900	15,661,000	527,009,000	479,637,100	1012%
Excess (deficiency) of Revenues over (under) Expenditures/Expenses and Other Financing Sources (Uses)	57,029,300	(103,510,900)	49,665,100	(142,609,900)	(39,099,000)	38%
Beginning Fund Balance	894,280,200	951,309,500	951,309,500	1,000,974,600	49,665,100	5%
ENDING FUND BALANCE	\$ 951,309,500	\$ 847,798,600	\$ 1,000,974,600	\$ 858,364,700	\$ 10,566,100	1%

Table 19 – Operating and Capital Budget FY 2021/22

	FY 21/22 Operating Budget	FY 21/22 Capital Budget	FY 21/22 TOTAL Budget
Revenues			
Measure A Sales Tax	\$ 26,945,000	\$ 168,055,000	\$ 195,000,000
LTF Sales Tax	100,000,000	-	100,000,000
STA Sales Tax	23,862,200	-	23,862,200
Federal Reimbursements	18,343,600	89,087,800	107,431,400
State Reimbursements	8,493,500	202,437,500	210,931,000
Local Reimbursements	8,266,500	12,125,000	20,391,500
TUMF Revenue	-	11,000,000	11,000,000
Tolls, Penalties, and Fees	-	65,123,700	65,123,700
Other Revenue	-	657,300	657,300
Investment Income	333,500	526,500	860,000
TOTAL Revenues	186,244,300	549,012,800	735,257,100
Expenditures/Expenses			
Personnel Salaries and Benefits	10,292,100	4,712,900	15,005,000
Professional and Support			
Professional Services	9,667,500	9,598,300	19,265,800
Support Costs	6,702,900	10,254,100	16,957,000
TOTAL Professional and Support Costs	16,370,400	19,852,400	36,222,800
Projects and Operations			
Program Operations	12,491,300	28,629,300	41,120,600
Engineering	-	26,462,300	26,462,300
Construction	1,711,000	264,763,600	266,474,600
Design Build	-	97,959,000	97,959,000
Right of Way and Land	6,546,100	61,000,500	67,546,600
Operating and Capital Disbursements	174,060,400	900,000	174,960,400
Special Studies	2,021,000	-	2,021,000
Local Streets and Roads	-	59,138,400	59,138,400
Regional Arterials	-	30,000,000	30,000,000
TOTAL Projects and Operations	196,829,800	568,853,100	765,682,900
Debt Service			
Principal Payments	-	518,386,600	518,386,600
Interest Payments	-	60,335,600	60,335,600
Cost of Issuance	-	2,883,400	2,883,400
TOTAL Debt Service	-	581,605,600	581,605,600
Capital Outlay	1,410,000	4,949,700	6,359,700
TOTAL Expenditures/Expenses	224,902,300	1,179,973,700	1,404,876,000
Excess (deficiency) of Revenues over (under) Expenditures/Expenses	(38,658,000)	(630,960,900)	(669,618,900)
Other Financing Sources (Uses)			
Transfers In	27,480,500	168,759,500	196,240,000
Transfers Out	(34,983,300)	(161,256,700)	(196,240,000)
Debt Proceeds	-	627,600,000	627,600,000
TIFIA Loan Proceeds	-	6,919,000	6,919,000
Bond Premium	(187,466,000)	39,978,000	(147,488,000)
Payment to Escrow Agent	187,466,000	(147,488,000)	39,978,000
Net Financing Sources (Uses)	(7,502,800)	534,511,800	527,009,000
Excess (deficiency) of Revenues over (under) Expenditures/Expenses and Other Financing Sources (Uses)	(46,160,800)	(96,449,100)	(142,609,900)
Beginning Fund Balance	366,148,300	634,826,300	1,000,974,600
ENDING FUND BALANCE	\$ 319,987,500	\$ 538,377,200	\$ 858,364,700

Table 20 – Budget by Fund Type FY 2021/22

	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	FY 21/22 TOTAL Budget
Revenues						
Measure A Sales Tax	\$ -	\$ 195,000,000	\$ -	\$ -	\$ -	\$ 195,000,000
LTF Sales Tax	-	100,000,000	-	-	-	100,000,000
STA Sales Tax	-	23,862,200	-	-	-	23,862,200
Federal Reimbursements	15,700,000	88,922,300	-	2,809,100	-	107,431,400
State Reimbursements	3,004,500	207,926,500	-	-	-	210,931,000
Local Reimbursements	312,300	19,238,400	-	-	840,800	20,391,500
TUMF Revenue	-	11,000,000	-	-	-	11,000,000
Tolls, Penalties, and Fees	-	-	-	-	65,123,700	65,123,700
Other Revenue	-	559,300	-	-	98,000	657,300
Investment Income	17,500	612,800	60,300	11,700	157,700	860,000
TOTAL Revenues	19,034,300	647,121,500	60,300	2,820,800	66,220,200	735,257,100
Expenditures/Expenses						
Personnel Salaries and Benefits	5,875,300	7,580,500	-	-	1,549,200	15,005,000
Professional and Support						
Professional Services	5,839,500	8,434,300	-	-	4,992,000	19,265,800
Support Costs	3,087,200	5,094,300	-	-	8,775,500	16,957,000
TOTAL Professional and Support Costs	8,926,700	13,528,600	-	-	13,767,500	36,222,800
Projects and Operations						
Program Operations	-	19,509,100	-	-	21,611,500	41,120,600
Engineering	-	26,312,300	-	-	150,000	26,462,300
Construction	1,711,000	254,980,600	-	-	9,783,000	266,474,600
Design Build	-	94,399,000	-	-	3,560,000	97,959,000
Right of Way/Land	-	67,546,600	-	-	-	67,546,600
Operating and Capital Disbursements	30,650,000	144,310,400	-	-	-	174,960,400
Special Studies	2,021,000	-	-	-	-	2,021,000
Local Streets and Roads	-	59,138,400	-	-	-	59,138,400
Regional Arterials	-	30,000,000	-	-	-	30,000,000
TOTAL Projects and Operations	34,382,000	696,196,400	-	-	35,104,500	765,682,900
Debt Service						
Principal Payments	-	-	-	29,995,000	488,391,600	518,386,600
Interest Payments	-	-	443,400	39,599,300	20,292,900	60,335,600
Cost of Issuance	-	-	-	-	2,883,400	2,883,400
TOTAL Debt Service	-	-	443,400	69,594,300	511,567,900	581,605,600
Capital Outlay	1,230,000	4,949,700	-	-	180,000	6,359,700
TOTAL Expenditures/Expenses	50,414,000	722,255,200	443,400	69,594,300	562,169,100	1,404,876,000
Excess (deficiency) of Revenues over (under) Expenditures/Expenses	(31,379,700)	(75,133,700)	(383,100)	(66,773,500)	(495,948,900)	(669,618,900)
Other Financing Sources (Uses)						
Transfers In	24,671,200	101,974,500	-	69,594,300	-	196,240,000
Transfers Out	(1,613,300)	(155,387,600)	(16,241,900)	(2,809,100)	(20,188,100)	(196,240,000)
Debt Proceeds	-	-	-	-	627,600,000	627,600,000
TIFIA Loan Proceeds	-	6,919,000	-	-	-	6,919,000
Bond Premium	-	-	-	-	39,978,000	39,978,000
Payment to Escrow Agent	-	-	-	-	(147,488,000)	(147,488,000)
Net Financing Sources (Uses)	23,057,900	(46,494,100)	(16,241,900)	66,785,200	499,901,900	527,009,000
Excess (deficiency) of Revenues over (under) Expenditures/Expenses and Other Financing Sources (Uses)	(8,321,800)	(121,627,800)	(16,625,000)	11,700	3,953,000	(142,609,900)
Beginning Fund Balance	23,356,800	735,068,300	77,037,000	11,681,500	153,831,000	1,000,974,600
ENDING FUND BALANCE	\$ 15,035,000	\$ 613,440,500	\$ 60,412,000	\$ 11,693,200	\$ 157,784,000	\$ 858,364,700

Table 21 – Highway, Regional Arterial, Rail, and Regional Conservation Program Projects FY 2021/22

Description	
HIGHWAY ENGINEERING	
71/91 Connector	\$ 1,380,000
91 Express Lanes	150,000
I-15 Express Lanes—Southern Extension	6,500,000
I-15 Corridor Operations Project	4,300,000
Mid County Parkway (MCP)	155,000
MCP I-215/Placentia Avenue Interchange	211,000
MCP Sweeney mitigation	10,000
MCP construction contract package	4,000,000
Riverside County-Santa Ana River Trail <i>(details presented in Sections 5.2 Planning and Programming and 5.3 Capital Projects)</i>	1,821,000
SR-74 corridor — Ethanac Road	1,041,800
SR-79 realignment	125,000
SR-60 Truck Lanes	50,000
General <i>(details presented in Section 5.3 Capital Projects)</i>	3,050,000
SUBTOTAL HIGHWAY ENGINEERING	22,793,800
REGIONAL ARTERIAL ENGINEERING	
I-15/Railroad Canyon Interchange	195,500
I-10/Highland Springs Avenue Interchange	1,158,000
SUBTOTAL REGIONAL ARTERIAL ENGINEERING	1,353,500
RAIL ENGINEERING	
Moreno Valley March Field station upgrade	200,000
Riverside layover facility	115,000
Riverside Downtown station track and platform	2,000,000
SUBTOTAL RAIL ENGINEERING	2,315,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL ENGINEERING	\$ 26,462,300
HIGHWAY CONSTRUCTION	
15/91 Express Lanes Connector	\$ 4,840,000
71/91 Connector	5,739,000
91 Corridor Operations Project	16,049,000
91 Project	1,471,000
91 Express Lanes	9,783,000
Hamner Bridge widening	26,238,500
I-15 Express Lanes	9,591,000
I-15/Limonite Interchange	10,000
Jurupa Avenue grade separation	38,000,000
MCP I-215/Placentia Avenue Interchange	22,295,600
McKinley Avenue grade separation	51,000,000
Pachappa Underpass	6,129,000
SR-60 Truck Lanes	45,000,000
General <i>(details presented in Section 5.2 Planning and Programming)</i>	311,000
General <i>(details presented in Section 5.3 Capital Projects)</i>	45,000
SUBTOTAL HIGHWAY CONSTRUCTION	236,502,100
REGIONAL ARTERIAL CONSTRUCTION	
I-15/Railroad Canyon Interchange	12,900,000
Various Western County MARA and TUMF regional arterial projects	5,557,500
SUBTOTAL REGIONAL ARTERIAL CONSTRUCTION	18,457,500
RAIL CONSTRUCTION	
Moreno Valley-March Field station upgrade	9,815,000
Riverside layover facility	300,000
Other Riverside Downtown station mobility improvements <i>(costs and details presented in Section 5.2 Rail)</i>	1,400,000
SUBTOTAL RAIL CONSTRUCTION	11,515,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL CONSTRUCTION	\$ 266,474,600

Description	
HIGHWAY DESIGN BUILD	
15/91 Express Lanes Connector	\$ 85,697,000
91 Corridor Operations Project	201,000
91 Express Lanes	3,560,000
91 Project	978,000
I-15 Express Lanes Project	7,323,000
I-15 Express Lanes - Northern Segment	200,000
TOTAL HIGHWAY DESIGN BUILD	\$ 97,959,000
HIGHWAY RIGHT OF WAY AND LAND	
60/215 East Junction high occupancy vehicle (HOV) lane connectors	\$ 5,000
71/91 Connector	1,150,000
91 Project	12,420,000
91 Corridor Operations Project	146,000
Jurupa Avenue grade separation	2,000,000
MCP	8,300,000
MCP I-215/Placentia Avenue Interchange	28,275,000
SR-60 Truck Lanes	120,000
Pachappa Underpass	110,000
Riverside County-Santa Ana River Trail <i>(details presented in Sections 5.2 Planning and Programming and 5.3 Capital Projects)</i>	155,000
SR-74/I-15 to 7th Street	5,000
SR-91 HOV lanes/Adams Street to 60/91/215 interchange	15,000
General <i>(details presented in Section 5.3 Capital Projects)</i>	676,100
SUBTOTAL HIGHWAY RIGHT OF WAY AND LAND	53,377,100
REGIONAL ARTERIAL RIGHT OF WAY AND LAND	
I-15/Railroad Canyon Interchange	30,000
I-10/Highland Springs Avenue Interchange	10,000
Various Western County MARA and TUMF regional arterial projects	11,045,000
SUBTOTAL REGIONAL ARTERIAL RIGHT OF WAY AND LAND	11,085,000
RAIL RIGHT OF WAY AND LAND	
Riverside layover facility	2,000
Riverside Downtown station track and platform	2,400,000
Moreno Valley - March Field rail upgrades	30,000
General	152,500
SUBTOTAL RAIL RIGHT OF WAY AND LAND	2,584,500
REGIONAL CONSERVATION RIGHT OF WAY AND LAND	
Regional Conservation acquisition consultant costs	500,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION RIGHT OF WAY AND LAND	\$ 67,546,600
GRAND TOTAL HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION PROGRAMS	\$ 458,442,500

AGENDA ITEM 8

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	April 26, 2021
TO:	Budget and Implementation Committee
FROM:	Theresa Trevino, Chief Financial Officer
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Agreements for Audit and Attestation Services

STAFF RECOMMENDATION:

This item is for the Committee to:

- 1) Award the following agreements to provide audit and attestation services for the Western Riverside County Measure A recipients and Transportation Development Act (TDA) claimants of the Commission and the member agencies of the Western Riverside County Regional Conservation Authority (RCA) for a three-year term, with three one-year options to extend the agreements in the total aggregate amount of \$1,524,661, plus a contingency amount of \$75,339, for a total aggregate amount not to exceed \$1,600,000:
 - a) Agreement No. 21-19-034-00 to BCA Watson Rice LLP;
 - b) Agreement No. 21-19-035-00 to Brown Armstrong Accountancy Corporation (Brown Armstrong);
 - c) Agreement No. 21-19-036-00 to Conrad LLP; and
 - d) Agreement No. 21-19-037-00 to Eide Bailly LLP;
- 2) Award the following agreements to provide audit and attestation services for the Eastern Riverside County Measure A Recipients and Transportation Development Act Claimants of the Commission for a three-year term, with three one-year options to extend the agreements in the total aggregate amount of \$413,160, plus a contingency amount of \$19,840, for a total aggregate amount not to exceed \$433,000:
 - a) Agreement No. 21-19-056-00 to Brown Armstrong; and
 - b) Agreement No. 21-19-057-00 to Conrad LLP;
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreements, including options years, on behalf of the Commission;
- 4) Authorize the Executive Director or designee to approve contingency work up to the total not to exceed amount as required for these audit and attestation services; and
- 5) Forward to the Commission for final action.

BACKGROUND INFORMATION:

The TDA requires annual financial and compliance audits of TDA claimants in the county receiving allocations for bicycle and pedestrian projects and public transit, and the 2009 Measure A requires audits of the city and county recipients of local streets and roads funds. The Commission

also obtains audits of Western County Measure A specialized transit recipients in order to determine compliance with grant agreements. Beginning with FY 2006/07, the Commission elected to develop specific agreed-upon procedures to be performed by the auditors in order to more effectively evaluate whether the Measure A recipients complied with the local streets and roads and specialized transit requirements. Such agreed-upon procedures have been periodically revised in response to prior year findings, areas of concern, and changes in Measure A requirements and related implementation guidance.

The Commission periodically procures multiple audit firms to perform the TDA financial and compliance audits and the Measure A agreed-upon procedures attestation services for the TDA claimants and Measure A recipients. This is a significant scope of work that exceeds 2,000 hours annually, is performed at multiple locations, and results in numerous reports issued. TDA requires reports by December 31, although a 90-day extension can be granted by the Commission. There is no statutory Measure A reporting deadline; however, the Commission uses the TDA deadline. In order to ensure timely completion of the required work, Commission staff believes that the benefits of engaging multiple audit firms exceeds assigning all the work to a single firm. Riverside Transit Agency and SunLine Transit Agency elected to procure their audits and submit the final reports to the Commission and are not included in the scope of services for such procurements.

In May 2016, the Commission approved the selection of BCA Watson Rice LLP and Macias Gini & O'Connell LLP to perform audit services, including agreed-upon procedures, for the Measure A recipients and TDA claimants in the Western County and Conrad LLP to perform similar services in Eastern County (Coachella Valley and Palo Verde Valley) for an initial three-year term and two additional one-year option periods. These three contracts terminate with the completion of the FY 2019/20 services.

In January the Commission began to serve as the management agency for the RCA following November 2020 approvals by the Commission and the RCA Board of Directors of the implementation and management services agreement. Under this agreement, the RCA and the Commission desired to seek efficiencies by consolidating professional services agreements as much as possible. The RCA engaged Brown Armstrong to perform agreed-upon procedures related to the collection and remittance of mitigation fees in accordance with each member agency's Multiple Species Habitat Conservation Plan (MSHCP) Fee ordinance. The member agencies consist of the 18 Western Riverside County cities and the County of Riverside. One option year remains under the RCA's agreement with Brown Armstrong.

DISCUSSION:

In connection with the planning for the procurement of the Commission's TDA audit and Measure A attestation services, staff determined that the MSHCP attestation services should be incorporated into the Commission's procurement. Staff anticipates efficiencies for the Commission and RCA related to the planning and oversight of the services as well as for the TDA claimants, Measure A recipients, and MSHCP member agencies through assignment of services

that minimize disruptions to local jurisdictions and agencies. Due to the volume of work to be performed and the number of reports to be issued, staff intends to assign the required services among multiple firms to ensure the timely completion of the audits and attestation services.

Procurement Process

Staff determined the weighted factor method of source selection to be the most appropriate for these procurements, as it allows the Commission to identify the most advantageous proposals with price and other factors considered. Non-price factors include elements such as qualifications of firm and personnel and understanding and approach for audit and attestation services as set forth under the terms of Request for Proposals (RFP) No. 21-19-034-WC and RFP No. 21-19-034-EC.

RFP No. 21-19-034-WC and RFP No. 21-19-034-EC for audit and attestation services were released by staff on February 18, 2021. RFP No. 21-19-034-WC was for audit and attestation services for the Western Riverside County Measure A recipients and TDA claimants of the Commission and the member agencies of the RCA. RFP No. 21-19-034-EC was for audit and attestation services for the Eastern Riverside County Measure A recipients and TDA claimants of the Commission. Both RFPs were posted on the Commission's PlanetBids website, which is accessible through the Commission's website. Utilizing PlanetBids, emails were sent to 335 firms for each RFP, 47 of which are located in Riverside County. Staff responded to all questions submitted by potential proposers for each RFP prior to the March 1 clarification deadline date.

Nine firms – BCA Watson Rice LLP (Torrance), Brown Armstrong (Bakersfield), Conrad LLP (Lake Forest), Davis Farr LLP (Irvine), Eadie and Payne LLP (Riverside), Eide Bailly LLP (Riverside), Lance, Soll & Lunghard LLP (Brea), Macias Gini & O'Connell LLP (Irvine), and Vasquez & Company LLP (Glendale) – submitted responsive proposals prior to the 2:00 p.m. submittal deadline on March 18 for RFP No. 21-19-034-WC. Eight firms – BCA Watson Rice LLP (Torrance), Brown Armstrong (Bakersfield), Conrad LLP (Lake Forest), Davis Farr LLP (Irvine), Eadie and Payne LLP (Riverside), Lance, Soll & Lunghard LLP (Brea), Macias Gini & O'Connell LLP (Irvine), and Vasquez & Company LLP (Glendale) – submitted responsive proposals prior to the 2:00 p.m. submittal deadline on March 18 for RFP No. 21-19-034-EC.

Utilizing the evaluation criteria set forth in the RFPs, all firms were evaluated and scored by an evaluation committee comprised of Commission staff. The total evaluation score rankings for each RFP following the final evaluation are summarized below:

RFP No. 21-19-034-WC	
Audit Firm	Total Evaluation Score Rank
Brown Armstrong	1
Eide Bailly	2
Conrad	3
BCA Watson Rice	4
Eadie and Payne	5
Vasquez & Company	6
Macias Gini O'Connell	7
Lance, Soll & Lunghard	8
Davis Farr	9

RFP No. 21-19-034-EC	
Audit Firm	Total Evaluation Score Rank
Conrad	1
Brown Armstrong	2
Vasquez & Company	3
BCA Watson Rice	4
Eadie and Payne	5
Macias Gini O'Connell	6
Davis Farr	7
Lance, Soll & Lunghard	8

Based on the evaluation committee's assessment of the written proposals and pursuant to the terms of the RFPs, the evaluation committee recommends contract awards to BCA Watson Rice LLP, Brown Armstrong, Conrad LLP, and Eide Bailly LLP to perform audit and attestation services for Western Riverside County for a three-year term, with three one-year options to extend the agreements, as these firms earned the highest total evaluation scores under RFP No. 21-19-034-WC. Additionally, the evaluation committee recommends contract awards to Brown Armstrong and Conrad LLP to perform audit and attestation services for Eastern Riverside County for a three-year term, with three one-year options to extend the agreements, as these firms earned the highest total evaluation scores under RFP No. 21-19-034-EC.

Assignment of Services

Following the evaluation committee's recommendations for award, staff assigned the required services and determined the costs for such services based on the pricing submitted with each proposal. The assignments by RFP and costs for the initial three-year term and three one-year options to extend are summarized below:

RFP No. 21-19-034-WC	BCA Watson Rice	Brown Armstrong	Conrad	Eide Bailly
Banning				X
Beaumont				X
Calimesa			X	
Canyon Lake	X			
Corona				X
Eastvale		X		
Hemet			X	
Jurupa Valley		X		
Lake Elsinore		X		
Menifee		X		
Moreno Valley		X		
Murrieta		X		
Norco	X			
Perris		X		
Riverside				X
San Jacinto		X		
Temecula		X		
Wildomar		X		
County of Riverside		X		
Specialized Transit recipients (estimated 13-15)	X			
Cost	\$373,847	\$622,077	\$103,760	\$424,977

RFP No. 21-19-034-EC	Brown Armstrong	Conrad
Cathedral City		X
Coachella		X
Desert Hot Springs		X
Indian Wells	X	
Indio		X
La Quinta		X
Palm Desert		X
Palm Springs		X
Rancho Mirage	X	
Blythe		X
Palo Verde Valley Transit Agency		X
Cost	\$38,400	\$374,760

Staff provided each recommended firm with the proposed assignments and costs, as derived from the respective firm's written proposal submitted. Each firm accepted the assignments and confirmed the costs.

Accordingly, staff recommends the award of the four agreements for audit and attestation services for Western Riverside County for a three-year term, with three one-year options to extend the agreements for a total aggregate amount not to exceed \$1.6 million, including a \$75,339 contingency for additional audits or attestation services or for unforeseen additional services. Staff also recommends the award of the two agreements for audit and attestation services for Eastern Riverside County for a three-year term, with three one-year options to extend the agreements for a total aggregate amount not to exceed \$433,000, including a \$19,840 contingency for additional audits or attestation services or for unforeseen additional services. The total aggregate value for the six agreements is \$2,033,000.

	Cost	Contingency	Total Cost
RFP 21-19-034-WC	\$1,524,661	\$ 75,339	\$1,600,000
RFP 21-19-034-EC	413,160	19,840	433,000
Total	\$1,937,821	\$ 95,179	\$2,033,000

The Commission's standard form professional services agreements will be entered into with each firm subject to any changes approved by the Executive Director, pursuant to legal counsel review. Staff also recommends authorization for the Chair or Executive Director to execute the agreements, including option years, and for the Executive Director or designee to approve contingency work as required for these audit services. Staff oversight of the contracts will be conducted to maximize the effectiveness of the consultants and to minimize costs to the Commission.

Financial Information					
In Fiscal Year Budget:	Yes N/A	Year:	FY 2021/22 FY 2022/23+	Amount:	\$338,000 \$1,695,000
Source of Funds:	2009 Measure A, Local Transportation Funds, RCA reimbursements			Budget Adjustment:	No N/A
GL/Project Accounting No.:	001001 65401 00000 0002 101 19 65401 r11001 65401 00000 0000 750 68 65401				
Fiscal Procedures Approved:	<i>Theresa Trevino</i>			Date:	04/14/2021

Attachments:

- 1) Draft Agreement No. 21-19-034-00 to BCA Watson Rice LLP
- 2) Draft Agreement No. 21-19-035-00 to Brown Armstrong
- 3) Draft Agreement No. 21-19-036-00 to Conrad LLP
- 4) Draft Agreement No. 21-19-037-00 to Eide Bailly LLP

- 5) Draft Agreement No. 21-19-056-00 to Brown Armstrong
- 6) Draft Agreement No. 21-19-057-00 to Conrad LLP

Agreement No. 21-19-034-00

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
 FOR THE WESTERN RIVERSIDE COUNTY
 MEASURE A RECIPIENTS AND
 TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
 OF THE
 RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 AND THE MEMBER AGENCIES
 OF THE
 WESTERN RIVERSIDE COUNTY
 REGIONAL CONSERVATION AUTHORITY
 WITH BCA WATSON RICE LLP**

1. PARTIES AND DATE.

This Agreement is made and entered into this ___ day of _____, 2021, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and BCA WATSON RICE LLP ("Consultant"), a Limited Liability Partnership.

2. RECITALS.

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing audit services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain audit and attestation services for the Commission ("Project") as set forth herein.

3. TERMS.

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and

incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to June 30, 2024, unless earlier terminated as provided herein. The Commission, at its sole discretion, may extend this Agreement for three (3) additional single year terms through June 30, 2027. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Audit Schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Audit Schedule.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key

personnel for performance of this Agreement are as follows: Michael de Castro, Helen Chu, Rustico Cabilin, Ihab Fakhreddine, Lisa Reason, Julie Ta, Brandon de Castro.

3.7 Commission's Representative. Commission hereby designates the Chief Financial Officer, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant's Representative. Consultant hereby designates Michael de Castro, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all

costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this

Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily injury and property damage; (2) personal Injury/Advertising injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from the Commission's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional

Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto. The total compensation shall not exceed Three Hundred Seventy-Three Thousand Eight Hundred Forty-Seven Dollars (\$373,847) without written approval of Commission's Executive Director ("Total Compensation"). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a monthly statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the

subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:

BCA Watson Rice LLP
2355 Crenshaw Blvd
Suite 150
Torrance, CA 90501
Attn: Michael de Castro

COMMISSION:

Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

All programs, working papers, files and other materials of the Consultant made pursuant to this Agreement shall remain the property of the Consultant. The Commission will have access to this material at any time. All reports delivered by the Consultant and its subcontractors pursuant to the Agreement shall become the property of the Commission without restriction or limitation on their use and shall be made available

upon request, to the Commission at any time. Original copies of the deliverable reports shall be delivered to the Commission upon completion of the Services or termination of the Services. The Consultant shall be permitted to retain copies of such items for the furtherance of its technical proficiency; however, publication of this material is subject to the written approval of the Commission.

3.18.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.18.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by

Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, agents, consultants, employees and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of the Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation, the payment of all consequential damages, attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Commission, its directors, officials, officers, agents, consultants, employees and volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the Commission or its directors, officials, officers, agents, consultants, employees and volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse the Commission and its directors, officials, officers, agents, consultants, employees and volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to

indemnity shall not be restricted to insurance proceeds, if any, received by the Commission or its directors, officials, officers, agents, consultants, employees and volunteers. This Section 3.21 shall survive any expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this

employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 Reserved.

3.31 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

3.32 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.33 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are

not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

3.34 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.35 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.36 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.37 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.38 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.39 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.40 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.41 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.42 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.43 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.44 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT

SIGNATURE PAGE
TO
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE WESTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND THE MEMBER AGENCIES
OF THE
WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY
WITH BCA WATSON RICE LLP

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

BCA WATSON RICE LLP

By: _____
Anne Mayer
Executive Director

By: _____
Signature

Name

Title

Approved as to Form:

Attest:

By: _____
Best Best & Krieger LLP
General Counsel

By: _____
Its: Secretary

EXHIBIT "A"

STATEMENT OF SERVICES

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

Statement of Services

A. General

The Riverside County Transportation Commission (RCTC), as the transportation planning agency for Riverside County and the managing agency for the Western Riverside County Regional Conservation Authority (RCA), is issuing this Request for Proposal in order to secure services from a Consultant(s) of certified public accountants to perform for the fiscal years ending June 30, 2021, 2022, and 2023, with the option of performing such services for three (3) additional one-year terms:

- Financial and compliance audits of RCTC's Transportation Development Act (TDA) claimants for transit (including funding from Local Transportation Fund (LTF) Article 4, State Transit Assistance (STA), State of Good Repair (SGR), Low Carbon Transit Operations Program (LCTOP), and Proposition 1B);
- Financial and compliance audits of RCTC's TDA claimants for bicycle and pedestrian projects (consisting of funding from LTF Article 3);
- Agreed-upon procedures similar to those proposed in Appendix A, Section G, for RCTC's Measure A recipients of local streets and roads (LSR) funding;
- Agreed-upon procedures similar to those proposed in Appendix A, Section H, for RCTC's Measure A recipients of specialized transit funding; and
- Agreed upon procedures similar to those proposed in Appendix A, Section I, for RCA's Member Agencies related to the collection and remittance of mitigation fees in accordance with each Member Agency's Multiple Species Habitat Conservation Plan (MSHCP) Ordinance (with amendments).

Measure A Agreed Upon Procedures

The **Measure A Specialized Transit Agreed-Upon Procedures** apply to Western County non-profit and community organizations awarded funding for specialized transit services for a three-year period through a competitive call for projects. The FY 2020/21 funding awarded at RCTC's April 11, 2018 meeting represents the final year of the FY 2018/19 – 2020/21 Call for Projects. Staff expects that the awards for the FY 2021/22 – 2023/24 Call for Projects will be approved by RCTC at the April 14, 2021 meeting, as noted in the FY 2021/22 – 2023/24 Measure A Specialized Transit Call for Projects Guidelines presented at the January 13, 2021 RCTC meeting. FY 2024/25 – FY 2025/26 funding will be determined by the FY 2024/25 – 2026/27 Call for Projects to be awarded in Spring 2024.

The **Measure A LSR Agreed-Upon Procedures** apply to all eligible cities in Riverside County and the County of Riverside. Measure A LSR funding is allocated and disbursed monthly to the cities and the County of Riverside, as specified in Measure A. RCTC does not currently anticipate any incorporations or dis-incorporations of cities that would result in a change in Measure A LSR recipients. Currently, all cities and the County of Riverside meet the eligibility requirements that include:

- Participation in the Western County or Coachella Valley Transportation Uniform Mitigation Fee (TUMF) Program, as applicable;
- Participation in the RCA's MSHCP, as applicable;
- Annual submittal of a 5-Year Capital Improvement Plan (CIP) list of projects;
- Annual Maintenance of Effort certification; and
- Annual Project Status Report for the prior fiscal year CIP.

Transportation Development Act Audits

The **TDA Transit audits** will be performed for the municipal transit operators in the Western County cities of Banning, Beaumont, Corona, and Riverside. TDA Transit operating and capital allocations are approved annually by RCTC in June based on the submittal of each transit operator's Short-Range Transit Plan. The transit operators also may unexpended Proposition 1B funding for capital/rehabilitation and/or security projects received through Caltrans and the California Office of Emergency Services (CalOES), respectively.

The **TDA Bicycle and Pedestrian audits** apply to local jurisdictions awarded funding by RCTC for bicycle and pedestrian projects through a biennial competitive call for projects. Local jurisdictions generally have two years to complete projects, including those projects approved in the FY 2019/20 Call for Projects at RCTC's June 12, 2019 meeting. However, as per revised guidelines approved by RCTC at its January 13, 2021 meeting effective with the FY 2021/22 Call for Projects to be awarded at the June 9, 2021 RCTC meeting, local jurisdictions will now have three years to complete projects. Claimants may request disbursement of their allocations by RCTC on a reimbursement basis in accordance with RCTC's policies. Accordingly, the TDA Bicycle and Pedestrian audits are dependent on claims for expenditures of such funds.

MSHCP Agreed Upon Procedures

The **MSHCP Agreed-Upon Procedures** are required for local jurisdictions that are signatories to the Joint Exercise of Powers Agreement forming the RCA. They include the 18 Western County cities and the County of Riverside. The Member Agencies form the independent RCA Board of Directors to acquire, administer, operate, and maintain land and facilities to establish habitat reserves for the conservation and protection of species covered by the MSHCP and to implement the MSHCP.

At its December 7, 2020 meeting, the RCA adopted the 2020 Nexus Study and increase in Local Development Mitigation Fees (LDMF). The LDMF increase is effective in two phases. The first phase, an increase of 50%, is effective July 1, 2021. The second phase, full implementation, is effective January 1, 2022. Member Agencies must prepare an ordinance and resolution to be considered and approved by the city council (Board of Supervisors in the case of the County of Riverside) in time to implement the new fee by July 1, 2021. Final action of the city council/Board of Supervisors must be no later than May 2, 2021 to ensure the new ordinance takes effect by July 1, 2021 in accordance with California Government Code Section 66017. Per the

Implementing Agreement with the cities and the County of Riverside signed, the cities and County must adopt the ordinance, "in substantially the same form or at a minimum, containing the same requirements as the model ordinance," adopted by the RCA Board of Directors.

Anticipated Changes in Audit and Attestation Services

RCTC does not anticipate any change in the local jurisdictions subject to TDA Transit audit and Measure A LSR attestation services; RCA does not anticipate any change in the local jurisdictions subject to MSHCP attestation services. The agencies requiring Measure A Specialized Transit and the local jurisdictions requiring TDA Bicycle and Pedestrian audits will be determined each year based on actual disbursements.

The Chief Financial Officer is designated as the coordinator of the work and may appoint a Finance Department staff to coordinate day-to-day oversight. The Chief Financial Officer will serve as the liaison to the audit oversight committee designated by RCTC and the Executive Committee designated by RCA.

The audits are to be performed by the Consultant(s) in accordance with generally accepted auditing standards, including use of the most current version of each of the following standards and guidelines:

- American Institute of Certified Public Accountants audit and attestation standards;
- General Accounting Office's (GAO) *Government Auditing Standards*;
- Measure A conformance requirements (Section I);
- Transit requirements (Section J); and
- MSHCP requirements (Section K).

B. Scope of Work to be Performed

The selected Consultant(s) will be required to perform the following tasks:

- Audit of the transit and transportation financial statements of the jurisdictions receiving TDA funds in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the TDA as summarized in the TDA Guidebook; and SGR, LCTOP, and Proposition 1B audit guidelines specified by Caltrans and CalOES.
- Performance of agreed-upon procedures similar to those listed in Section F solely to assist RCTC in evaluating the applicable jurisdictions' Measure A transportation funds and degree of their compliance with RCTC's requirements of the Measure A LSR program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A LSR program.
- Performance of agreed-upon procedures similar to those listed in Section G solely to assist RCTC in evaluating the applicable jurisdictions'/agencies' Measure A specialized transit funds and degree of their compliance with RCTC's requirements of the Measure A

specialized transit program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A Specialized Transit program.

- Performance of agreed-upon procedures similar to those listed in Section H solely to assist RCA in evaluating if fees are collected and remitted in accordance with each Member Agency's MSHCP Mitigation Fee Ordinance (with amendments). RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the MSHCP, including RCA changes to the LDMF affecting Member Agency MSHCP Mitigation Fee Ordinances and adoption of a related resolution.

C. Deliverables

Following completion of the audits and agreed-upon procedures and a review of the draft reports by RCTC, the Consultant(s) shall issue:

- A report on the fair presentation of the financial statements for the TDA claimants in conformity with generally accepted accounting principles and on compliance and internal control.
- A report on the agreed-upon procedures related to the Measure A recipients of LSR funding.
- A report on the agreed-upon procedures related to the Measure A recipients of specialized transit funding.
- A report on the agreed-upon procedures related to the MSHCP fee collection and remittance.

Drafts of the reports will be provided to RCTC staff and the applicable TDA claimant, Measure A recipient, or Member Agency. The Chief Financial Officer or designee shall review and approve each report prior to issuance.

For each report issued to RCTC, the Consultant shall issue one PDF copy to RCTC and one PDF to the applicable TDA claimant or Measure A recipient, as applicable.

For each report issued to RCA, the Consultant shall print three (3) copies and issue one PDF copy to RCA.

Financial and Compliance Reports

The Consultant will submit a financial and compliance report for each TDA audit. The Consultant will be responsible for the preparation, editing, and printing of all financial and compliance reports, including the financial statements and notes to the financial statements. Although the Consultant will prepare the financial statements, management of the TDA Claimant is responsible for the financial statements.

Agreed-Up Procedures

The Consultant will submit a report for each Measure A recipient or Member Agency, as applicable, listing the procedures performed, results of procedures performed, and findings, if any. The Consultant will be responsible for preparation, editing, and printing of all agreed-upon procedure reports.

D. Required Communications

Significant Deficiencies – In the required reports on compliance and internal controls, the Consultant shall communicate any significant deficiencies found during the audit of the TDA claimants. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Significant deficiencies that are also material weaknesses shall be identified as such in the report. Other control deficiencies discovered by the Consultant may be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance may be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts – The Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indication of illegal acts of which they become aware to the jurisdiction/agency and RCTC's/RCA's audit oversight committee, Executive Director, and Chief Financial Officer.

Planning meetings – The Consultant shall meet with RCTC staff at least once a year prior to the commencement of the audits and agreed-upon procedures.

E. Audit Schedule

The work to be performed at the jurisdictions and agencies shall be arranged by the Consultant with the individual jurisdiction or agency after the conclusion of a planning meeting with RCTC and RCTC's issuance of audit notification letters to each jurisdiction and agency.

The RCTC work should be scheduled for no later than November 15 of each year. Barring unforeseen circumstances, the Consultant must conduct the work activities and provide all required reports and information to RCTC no later than December 31 of each year. The TDA audits are required to be submitted to the State Controller by December 31 of each year; however, an extension may be granted by RCTC for no more than 90 days. RCTC's policy for Measure A reports follows the TDA requirement; however, a formal extension is generally not issued.

RCA is required to annually certify to RCTC by June 30 that local jurisdictions participating in the MSHCP comply with the MSHCP participation requirements to collect and remit fees in accordance with each Member Agency's MSHCP Ordinance (with amendments). Accordingly,

the RCA requires all agreed-upon procedures reports to be issued by February 28 in the year following the fiscal year for which the agreed-upon procedures are performed.

The Consultant shall keep RCTC apprised at least monthly on the status of the audits and any issues which have been encountered. RCTC will provide assistance, to the extent necessary and/or possible, to resolve such issues. If circumstances outside the control of the Consultant or RCTC or the RCA arise and the deadline cannot be met, both parties agree to communicate the circumstances and develop an action plan.

F. Measure A Proposed Local Streets and Roads Agreed-Up Procedures (Proposed)

1. Review the 2009 Measure A (Ordinance 02-001) compliance requirements. Western County jurisdictions are required to participate in the Transportation Uniform Mitigation Fee (TUMF) program and in the Multi-Species Habitat Conservation Plan (MSHCP), which are administered by the Western Riverside Council of Governments (WRCOG) and the Western Riverside County Regional Conservation Authority (RCA), respectively. Coachella Valley jurisdictions are required to participate in the TUMF program administered by the Coachella Valley Association of Governments (CVAG). Indicate participation in TUMF and/or MSHCP programs.
2. Obtain from RCTC the approved Five-Year Capital Improvement Plan (CIP) for the fiscal year.
3. Obtain from the jurisdiction a detail general ledger and balance sheet for the fiscal year.
 - a. Identify the amount of Measure A cash and investments recorded at the end of the fiscal year. Compare amount to Measure A fund balance and provide an explanation for any differences greater than 25% of fund balance.
 - b. Identify any amounts due from other funds.
 - c. Identify the components of ending fund balance for the Measure A activity (e.g., nonspendable, restricted, assigned, committed, unassigned) [and for County of Riverside only by geographic area].
 - i. Identify the existence of any restatement of Measure A fund balance; inquire of management as to the reason for any restatement and provide a summary of the restatement items.
 - ii. Compare ending fund balance to total revenues for the current year and prior two years. If ending fund balance is greater than sum of total revenues for the three-year period, inquire of management as to the reason(s) for the accumulation of fund balance (e.g., status of specific projects included in the 5-Year CIP).
4. Obtain an operating statement for the Measure A activity for the fiscal year, including budget amounts; include the operating statement as an exhibit to the report.
 - a. Review the revenues in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A revenues received from RCTC and identify what the total revenues were for the fiscal year.

- ii. Obtain from RCTC a listing of Measure A payments to the jurisdiction.
 - 1. Compare the Measure A sales tax revenues recorded by the jurisdiction to the listing of payments made by RCTC. [Use gross amounts paid by RCTC]
 - iii. Obtain from the jurisdiction an interest allocation schedule for the fiscal year.
 - 1. Identify the allocation amount of interest income to Measure A activity and what the amount of interest income was for the fiscal year. If no interest was allocated, inquire of management as to reason for not allocating interest income.
 - b. Review the expenditures in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A expenditures and what the total expenditures were for the fiscal year.
 - ii. Select expenditures for testing that comprise at least 20% of the total expenditures.
 - 1. For the expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation.
 - 2. For the expenditures selected for testing, review the 5-Year CIP and note if the project is included in the 5-Year CIP and is an allowable cost.
 - iii. Inquire of management as to the nature of any transfers in or out recorded in the Measure A fund. For any transfers out, determine if nature of transfer out was included in the 5-Year CIP.
 - iv. Inquire of management as to the amount of general or non-project-related indirect costs, if any, included in expenditures. If indirect costs exceed 8% of Measure A revenue, inquire of management as to the basis for indirect costs charged to Measure A. If indirect costs are identified, determine if such costs are included in the 5-Year CIP.
 - v. Inquire of management as to the amount of debt service expenditures recorded in the Measure A fund and determine if such costs are included in the 5-Year CIP.
- 5. Obtain from RCTC a listing of jurisdictions who participate in the Western County or Coachella Valley TUMF programs.
 - a. If the jurisdiction is a participant in the TUMF program, select at least one disbursement for validation as to the amount remitted to WRCOG or CVAG, as applicable.
 - b. Indicate the total amount of TUMF fees collected and remitted during the fiscal year.
- 6. Obtain from RCTC a listing of jurisdictions who participate in the Western County MSHCP program.
 - a. If the jurisdiction is a participant in the MSHCP program, select at least one disbursement for validation as to the amount remitted to RCA, as applicable.
 - b. Inquire of management as to the existence of any fees collected in prior years and not remitted to RCA as of the end of the fiscal year.
 - c. Indicate the total amount of MSHCP fees collected and remitted during the fiscal year.

7. Obtain from RCTC the MOE base year requirement, including supporting detail of the calculations for its city/County, and the carryover amount allowed as of the beginning of the fiscal year.
 - a. Obtain from the city/County a calculation of its current year MOE amount in the format similar to its base year calculation. Attach a copy of the calculation worksheet provided by the city/County as an exhibit to the report.
 - b. Compare the current year MOE amounts from the General Fund to the general ledger.
 - c. Review the General Fund general ledger to determine if there were any transfers in to fund any MOE amounts.
 - d. Compare the amount of current year MOE expenditures to the MOE base requirement and add any excess to, or subtract any deficiency from, the carryover amount.
 - e. If the amount of discretionary funds spent is less than the MOE base requirement (MOE deficiency), determine the amount of any prior year MOE carryover using the information obtained from RCTC and reduce the MOE deficiency by any available MOE carryover to determine an adjusted current year expenditure amount.

G. Measure A Proposed Specialized Transit Agreed-Upon Procedures (Proposed)

1. Obtain specialized transit grant funding agreement from RCTC, including exhibit of budget submitted with funding application, matching requirements, and any budget modifications subsequently approved by RCTC.
 - a. Inquire of management as to the accounting and identification of Measure A funded programs.
 - b. Inquire of management as to whether the accounting of Measure A funds received by the Agency were accounted for separately or commingled with other programs and/or funding sources.
2. Obtain monthly reporting package for third, sixth, ninth, and last months of the annual reporting period and revenue and expense amounts for the fiscal year from the general ledger.
 - a. Recalculate totals on reporting packages.
 - b. Inquire of management as to the accomplishment of the applicable program goals and source of documentation for accomplishing program goals. Agree third, sixth, and ninth month reports provided by RCTC to source documents from Agency as to total passenger one-way trips made or number of people served.
 - c. Include a summary of revenues and expenses from the general ledger for the fiscal year compared to budgeted amounts (present in format of monthly reporting package) as an exhibit (Exhibit A).
 - d. For the exhibit summary of revenues and expenses, calculate variances of budgeted expense amounts compared to actual amounts in terms of dollars and percentages. For expense variances greater than 25%, inquire of management as to the existence of approval from RCTC. Determine if budgeted amounts per Exhibit A are consistent with the current Commission-approved budget.

- e. For the exhibit summary of revenues and expenses, calculate the variance of total budgeted expenses compared to actual total expenses in terms of dollars and percentage.
 - i. If the variance is greater than 20%, inquire of management why the actual total expenses were less than the budgeted total expenses.
 - f. List the total revenues and expenses from the final fiscal year reporting package ("Check Sum" tab) and calculate the difference between funding received and expenses/capital expenditures incurred as per Exhibit A. For any variances, inquire of management as to the nature of the changes in originally reported revenues and/or expenses.
3. Determine if funding agreement includes requirement for matching contributions. If agency was required to provide matching contributions, perform the following procedures:
- a. Review RCTC's policy on qualifying in-kind matching contributions.
 - b. Inquire of management how matching requirements per the funding agreement were satisfied (i.e., sources) and what the total dollar value was for cash match and for in-kind matching contributions. Indicate if cash and in-kind matching amounts were not met, met, or exceeded, as applicable.
 - i. If match was not met based on budget match requirement, compare actual Measure A revenues to budgeted Measure A revenues. If full amount of budgeted Measure A was not received, the minimum match requirement should also be reduced by a proportionate amount in order to determine the adjusted match requirement.
 - ii. If adjusted match requirement was not met, inquire of management as to explanation for shortfall in meeting adjusted match requirement.
 - c. If source of match was in-kind contributions, inquire of management as to the following:
 - i. If such contributions were made by a third party.
 - ii. If such third party contributions were related to property or services which benefited the project or program and which were contributed by third parties without charge to the grantee, or through a modified cost arrangement;
 - iii. If such contributions were necessary and reasonable for the efficient accomplishment of program objectives; and
 - iv. If using volunteer time, a tracking method existed to identify when donated services were provided.
 - d. For in-kind matching contributions presented on the third, sixth, and ninth month reporting packages, compare such contribution amounts to supporting documentation provided by the third party.
 - e. Inquire of management if any loans were obtained or lines of credit utilized to pay Measure A program expenses.
 - i. If such indebtedness was incurred, inquire of management as to the amount and if such amount is reflected in revenues as a cash match.
4. Obtain amount of Measure A funds disbursed to Agency from RCTC for specialized transit grant purposes for the fiscal year.

- a. Agree amount from RCTC to amount recorded by the agency.
- 5. Obtain a summary of expenses (Personnel, Operating, Capital) by major line item incurred by the Agency related to the specialized transit grant; include summary as an exhibit (Exhibit A) to the report.
 - a. Inquire of management how Measure A expenses are recorded (i.e., direct costs, allocations, or indirect costs).
 - b. Inquire of management as to the existence of any unreported expenses related to the Measure A specialized transit program provided by the Agency. If amounts are not reported, obtain a summary of such amounts and inquire of management as to why such amounts are not reported.
 - c. Select one pay period from personnel expenses for testing.
 - d. Select operating expenses for testing that comprise at least 20% of the total expenses.
 - e. Select all capital expenditures for testing.
 - f. For the expenses/capital expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation. Additionally, for personnel expenses, agree hours charged to Measure A specialized transit activities to approved timesheet or other documentation.
 - g. For the expenses/capital expenditures selected for testing, compare the type of expense to the allowable costs included in the funding agreement.
 - h. Compare the summary of expenses/capital expenditures by major line item to the budget included in the funding agreement and note any variances.
 - i. Inquire of management as to the amount of indirect or overhead costs, if any, included in expenses and compare amount to the budget included in the funding agreement.
- 6. Inquire of management as to the existence of any temporarily restricted net assets or deferred revenues as of the end of the fiscal year related to the Measure A funded program.
 - a. Obtain a copy of approval letter from RCTC, if applicable, for the carryover of such balances.
 - b. If temporarily restricted net assets or deferred revenues exist as of the end of the fiscal year, inquire of management as to source of funds responsible for generating such balances.
- 7. Review the prior year's report and note the existence of any temporarily restricted net assets or deferred revenues as of the end of the prior fiscal year; inquire of management if such amount was used to reduce the current fiscal year disbursements of Measure A to the Agency.
- 8. Inquire of management as to the rating of the Agency's insurer for commercial general liability insurance, business automobile liability insurance, and worker's compensation insurance.

H. MSHCP Member Agency Agreed-Upon Procedures (Proposed, subject to change due to requirement to adopt new ordinance and resolution)

1. Obtain any updates to the Member Agency's ordinance for collection of the MSHCP fees.
2. Upon obtaining the updates, determine if the ordinance is in accordance with the MSHCP Implementing Agreement and Joint Powers Agreement.
3. Determine if fees on the building permits are collected in accordance with the Member Agency ordinance.
4. Obtain the schedule of fees collected on MSHCP building permits for the year ended June 30, 202X.
5. Obtain a listing of building permits issued during the year ended June 30, 202X. Identify the new construction and commercial/industrial permits. Select for testing 10% of new construction and commercial/industrial building permits, selecting no less than 25 permits or 100% of permits if total permits for new construction and commercial/industrial is less than 25.
6. Recalculate the fees collected by the Member Agency on building permits to determine if they are correct and if the correct amounts have been remitted to the RCA. If fees are incorrect, determine the fees that should have been collected and remitted.
7. Determine if fees collected on building permits were remitted to the RCA within 90 days of the earlier of the date they were collected or should have been collected.
8. Determine additional amounts, if any, which should be returned to the Member Agency for building permits.
9. If amounts are due to the RCA on building permits, calculate interest owed, based on the RCA's Resolution No. 07-04 adopted on September 10, 2007, using the interest rate paid by Riverside County (County) Treasury on amounts held by the County.
10. Obtain a list of all construction (civic and infrastructure) contracts awarded by the Member Agency during the fiscal year. Select a sample of 10% of the contracts for testing, selecting no less than three contracts, or 100% of contracts if the total number of contracts is less than three.
11. Compute the amount of MSHCP fees on the civic and infrastructure contracts that should have been remitted.
12. Determine if the MSHCP fees on the civic and infrastructure contracts were remitted to the RCA within 90 days of contract award.
13. Determine additional amounts on civic and infrastructure contracts, if any, which should be remitted to the RCA or returned to the Member Agency.
14. If additional amounts are due to the RCA on civic and infrastructure contracts, calculate interest owed, using the interest rate paid County Treasury on amounts held by the County.

I. Measure A Recipient Conformance Requirements

1. **Allowable Costs.** Measure A funds may only be used for transportation purposes including the administration of Division 25 including legal actions related thereto; the construction, capital acquisition, maintenance, and operation of streets, roads, highways including state highways and public transit systems; and for related purposes. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

- a. Eligible local street and road projects costs include any engineering, capital, or maintenance cost. Decisions on projects are to be made by *local jurisdictions* subject to Capital Improvement Program requirements.
 - i. Annual budget reflecting the local government or agency's anticipated receipts and expenditures should be prepared and submitted to *RCTC upon approval* by the governing board. The data contained in the capital improvement plans submitted to RCTC should be included in the recipient's budgets. These budgets allow for proper evaluation by RCTC of the recipient's activities on an annual basis. (Policy adopted May 8, 1991)
 - b. Eligible transit programs include special discount fares for seniors and handicapped people, commuter bus services, funding for computer assisted rideshare programs, and "seed" programs to encourage the creation of vanpools. Additionally, funds will be used to provide further reductions for the truly needy and to expand existing services and implement new services. Bus capital replacement and additional bus service may also be an eligible program within the Coachella Valley, subject to a determination of funding by the Coachella Valley Association of Governments (CVAG).
2. **Maintenance of Effort (MOE).** Additional funds provided under Measure A are intended to supplement existing local revenues being used for transportation purposes. Government agencies shall maintain their existing commitment of local funds for street highway and public transit purposes pursuant to Measure A.
- a. The local cities and the County shall annually submit to RCTC a list of the proposed uses for these funds and a certification that the MOE requirement is being met. If in any fiscal year, the maintenance of effort requirement is not met, the agency shall not be eligible for any Measure A funds in the following fiscal year. Such funds shall be distributed to the remaining local governments using the formula for the area.
 - i. Agencies may use any local discretionary funds expended for local streets and roads purposes during previous fiscal years which were in excess of their maintenance of effort requirements to meet their MOE requirements for the fiscal year. (Measure A Maintenance of Effort Guidelines)
 - b. RCTC shall assure the cities' and County compliance with MOE funding requirements before allocating funds for local streets and roads.
 - c. RCTC shall not allocate funds to an individual city or the County for local streets and roads use within the Western County and Coachella Valley areas unless WRCOG or CVAG indicates participation of agency in the Transportation Uniform Mitigation Fee program necessary for implementation of the planned regional arterial system.
3. **Allocation of Funds to Geographic Areas.** Funds for transportation purposes shall be allocated to the Western County, Coachella Valley, and Palo Verde Valley areas proportionate to the Measure A funds generated within these areas.
4. **Allocation of Funds within Geographic Areas.** RCTC shall return 2009 Measure A funds to the geographic areas as follows (*Applicable to RCTC*):

- a. **Western County.** To be distributed for the following programs: \$370 million (approx. 11% to new corridors; \$1,020 million (approx. 30%) to highways; \$390 million (approx. 12%) to public transit; \$300 million (approx. 9%) to regional arterials; \$970 million (approx. 29%) to local streets and roads; \$270 million (approx. 8%) to bond financing; and \$40 million (approx. 1%) to economic development.
 - i. Local streets and roads funding are to be distributed by a formula based on 75% on proportionate population and 25% on 2009 Measure A revenues generated within each jurisdiction, if they participate in the Transportation Uniform Mitigation Fee program and Multi-Species Habitat Conservation Plan. If local agencies choose not to participate in the TUMF and MSHCP programs, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by RCTC.
- b. **Coachella Valley.** To be distributed for the following programs: 50% to highways and regional arterial projects; 35% to local streets and roads; and 15% to specialized public transit.
 - i. Local streets and roads funds will be provided to Coachella Valley cities and the County if they participate in the Transportation Uniform Mitigation Fee program. If local agencies choose not to participate in the TUMF program, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by CVAG.
 - ii. Local streets and roads funds are to be distributed by a formula based on 50% on proportionate dwelling units and 50% on 2009 Measure A revenues generated within each jurisdiction, as interpreted in Ordinance and direction provided by CVAG.
- c. **Palo Verde Valley.** To be distributed 100% to local streets and roads.
 - i. Local streets and roads funds are to be distributed by a formula based on 75% on proportionate population and 25% on sales tax revenues generated in each jurisdiction.
- 5. **Accounting Records.** Measure A recipients are required to maintain accurate, complete, and separate accounting records for all sources of the funds they receive. Small not-for-profit agencies are encouraged but not required to maintain separate accounting records as long as Measure A receipts, related revenues, and expenditures can be readily identified. If RCTC's independent auditors are unable to readily identify which funds are being used for expenditures, then the agency will be required to maintain separate accounting records and cash accounts if they are to continue receiving Measure A allocations. Any agency which maintains poor accounting records will receive funding allocations on a reimbursement basis only. (Policy adopted May 12, 1993)
- 6. **Interfund Borrowing.** Interfund borrowing from Measure A funding sources to another local jurisdiction fund is strictly prohibited. Cities and agencies must maintain sufficient cash balances so as not to impair their Measure A funds. Evidence of interfund borrowing or impaired cash balances will result in the city or agency receiving

funds from RCTC on a reimbursement basis only after any existing city or agency reserves of prior Commission funds have been fully depleted. (Policy adopted May 12, 1993)

7. **Interest Income Allocations.** Interest on Measure A funds shall accrue separately for all of RCTC's programs as defined in the text of Measure A. This interest allocation policy is applicable to the entire County, and such allocations shall be made monthly. Interest earned on unexpended Measure A monies should be recorded in the Measure A fund established by a local government or other agency receiving local streets and roads or specialized transit monies. As these funds are restricted, the related interest earned should be restricted as required by governmental regulations and other transportation funding including the Transportation Act. (Policy adopted May 8, 1991 and May 12, 1993)
8. **Accumulated Deficits.** Accumulated funding source deficits are the responsibility of the local jurisdiction. RCTC will consider allocating additional funds for such deficits when justifiable on a case-by-case basis. (Policy adopted May 12, 1993)
9. **Budget Variances.** Significant budget variances should be avoided. All local jurisdictions are required to compare the budget to actual results and make mid-year revisions as needed. (Policy adopted May 12, 1993)
10. **Unexpended Monies.** Whenever the annual fiscal audit or the proposed update of the Five Year Capital Improvement Program of a local agency shows a Measure A Local Streets and Road Program carryover balance in excess of *three (3) times the annual allocation* to an agency, Commission staff will:
 - a. Meet with the local agency to have them explain the reason for the carryover and explore alternatives for moving projects faster, and
 - b. Present a report of their findings to RCTC's Budget and Finance Committee to determine if any further action should be considered and proposed to the full Commission.(Policy included in December 13, 1995 revisions to the RCTC Program and Funding Guide)

J. Transit Compliance Requirements

The auditors should review the TDA regulations for Local Transportation Fund and State Transit Assistance funding. California Code Section 6664 discusses the fiscal and compliance audits of all claimants, Section 6666 provides the compliance audit tasks for non-transit claimants, and Section 6667 provides the compliance audit tasks for transit claimants. The TDA Statutes and California Code of Regulation Guidebook is available at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-a11y.pdf>.

California Department of Transportation program guidelines for State of Good Repair funds received through RCTC are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/sgr/202008-sgr-final-guidelines-a11y.pdf>

Proposition 1B accountability requirements for Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/ptmisea/201910-ptmisea-guidelines-a11y.pdf>

Proposition 1B guidelines for Transit System Safety, Security, and Disaster Response Account (TSSSDRA) funds received through CalOES are located at:

[https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA guidelines](https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA%20guidelines)

LCTOP program guidelines for funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/lctop/201909-lctop-fy19-20-guidelines-a11y.pdf>

K. MSCHP Compliance Requirements

The auditors should review the MSHCP Member Agency requirements in various implementation documents which are available at:

MSHCP Implementation Agreement Ordinance (for current procedures, see model ordinance beginning on page 347 of link)

https://www.wrc-rca.org/Permit_Docs/MSHCP/MSHCP-Volume3.pdf

MSHCP Implementation Manual (effective for FY 2021/22 agreed-upon procedures)

https://www.wrc-rca.org/Permit_Docs/MSHCP/MSHCP%20Mitigation%20Fee%20Implementation%20Manual%20Final.pdf

End of Statement of Services

EXHIBIT "B"

COMPENSATION

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

EXHIBIT "B"

COMPENSATION SUMMARY¹

(Amounts subject to rounding differences)

FIRM	PROJECT TASKS/ROLE	COST
Prime Consultant:		
BCA Watson Rice LLP ²	Audit and Attestation Services	\$ 373,847
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 373,847

TASK NUMBER	TASK DESCRIPTION	COST
TDA Article 3/Bicycle and Pedestrian ²	Audit Services	\$ -
TDA Article 4/Transit	Audit Services	-
Measure A Local Streets and Roads	Agreed-Upon Procedures Attestation Services	51,967
Measure A Specialized Transit ²	Agreed-Upon Procedures Attestation Services	263,880
MSHCP Member Agencies	Agreed-Upon Procedures Attestation Services	58,000
SUBTOTAL		373,847
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 373,847

FISCAL YEAR	PROJECT	COST
FY 2020/21 ²	Audit and Attestation Services	\$ 63,595
FY 2021/22 ²	Audit and Attestation Services	59,220
FY 2022/23 ²	Audit and Attestation Services	60,635
FY 2023/24 (Option Year 1) ²	Audit and Attestation Services	62,050
FY 2024/25 (Option Year 2) ²	Audit and Attestation Services	63,465
FY 2025/26 (Option Year 3) ²	Audit and Attestation Services	64,881
SUBTOTAL		373,847
TOTAL COSTS		\$ 373,847

¹ Commission authorization pertains to total contract award amount. Compensation adjustments between consultants may occur; however, the maximum total compensation authorized may not be exceeded.

² TDA Article 3/Bicycle and Pedestrian audits and Measure A Specialized Transit agreed-upon procedures will be determined annually based on TDA claimants and Measure A disbursements; accordingly, amounts are estimated. This estimate assumes zero (0) annual TDA Article 3/Bicycle and Pedestrian audits and sixteen (16) Measure A Specialized Transit attestation services for FY 2020/21 and fourteen (14) thereafter.

Agreement No. 21-19-035-00

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE WESTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND THE MEMBER AGENCIES
OF THE
WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY
WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 2021, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and BROWN ARMSTRONG ACCOUNTANCY CORPORATION ("Consultant"), a CORPORATION.

2. RECITALS.

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing audit services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain audit and attestation services for the Commission ("Project") as set forth herein.

3. TERMS.

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and

incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to June 30, 2024, unless earlier terminated as provided herein. The Commission, at its sole discretion, may extend this Agreement for three (3) additional single year terms through June 30, 2027. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Audit Schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Audit Schedule.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key

personnel for performance of this Agreement are as follows: Eric H. Xin, Thomas M. Young, Melissa L. Cabezzas, Ken Gill, Alex Medina, and Lorena Matias.

3.7 Commission's Representative. Commission hereby designates the Chief Financial Officer, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant's Representative. Consultant hereby designates Eric H. Xin, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all

costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this

Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily injury and property damage; (2) personal Injury/Advertising injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from the Commission's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional

Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto. The total compensation shall not exceed Six Hundred Twenty-Two Thousand Seventy-Seven Dollars (\$622,077) without written approval of Commission's Executive Director ("Total Compensation"). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a monthly statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the

subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:

Brown Armstrong Accountancy Corp.
4200 Truxtun Avenue
Suite 300
Bakersfield, CA 93309
Attn: Eric H. Xin

COMMISSION:

Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

All programs, working papers, files and other materials of the Consultant made pursuant to this Agreement shall remain the property of the Consultant. The Commission will have access to this material at any time. All reports delivered by the Consultant and its subcontractors pursuant to the Agreement shall become the property of the Commission without restriction or limitation on their use and shall be made available

upon request, to the Commission at any time. Original copies of the deliverable reports shall be delivered to the Commission upon completion of the Services or termination of the Services. The Consultant shall be permitted to retain copies of such items for the furtherance of its technical proficiency; however, publication of this material is subject to the written approval of the Commission.

3.18.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.18.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by

Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, agents, consultants, employees and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of the Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation, the payment of all consequential damages, attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Commission, its directors, officials, officers, agents, consultants, employees and volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the Commission or its directors, officials, officers, agents, consultants, employees and volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse the Commission and its directors, officials, officers, agents, consultants, employees and volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to

indemnity shall not be restricted to insurance proceeds, if any, received by the Commission or its directors, officials, officers, agents, consultants, employees and volunteers. This Section 3.21 shall survive any expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this

employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 Reserved.

3.31 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

3.32 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.33 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are

not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

3.34 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.35 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.36 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.37 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.38 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.39 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.40 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.41 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.42 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.43 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.44 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT

SIGNATURE PAGE
TO
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE WESTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND THE MEMBER AGENCIES
OF THE
WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY
WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

**BROWN ARMSTRONG
ACCOUNTANCY CORPORATION**

By: _____
Anne Mayer
Executive Director

By: _____
Signature

Name

Title

Approved as to Form:

Attest:

By: _____
Best Best & Krieger LLP
General Counsel

By: _____
Its: Secretary

EXHIBIT "A"

STATEMENT OF SERVICES

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

Statement of Services

A. General

The Riverside County Transportation Commission (RCTC), as the transportation planning agency for Riverside County and the managing agency for the Western Riverside County Regional Conservation Authority (RCA), is issuing this Request for Proposal in order to secure services from a Consultant(s) of certified public accountants to perform for the fiscal years ending June 30, 2021, 2022, and 2023, with the option of performing such services for three (3) additional one-year terms:

- Financial and compliance audits of RCTC's Transportation Development Act (TDA) claimants for transit (including funding from Local Transportation Fund (LTF) Article 4, State Transit Assistance (STA), State of Good Repair (SGR), Low Carbon Transit Operations Program (LCTOP), and Proposition 1B);
- Financial and compliance audits of RCTC's TDA claimants for bicycle and pedestrian projects (consisting of funding from LTF Article 3);
- Agreed-upon procedures similar to those proposed in Appendix A, Section G, for RCTC's Measure A recipients of local streets and roads (LSR) funding;
- Agreed-upon procedures similar to those proposed in Appendix A, Section H, for RCTC's Measure A recipients of specialized transit funding; and
- Agreed upon procedures similar to those proposed in Appendix A, Section I, for RCA's Member Agencies related to the collection and remittance of mitigation fees in accordance with each Member Agency's Multiple Species Habitat Conservation Plan (MSHCP) Ordinance (with amendments).

Measure A Agreed Upon Procedures

The **Measure A Specialized Transit Agreed-Upon Procedures** apply to Western County non-profit and community organizations awarded funding for specialized transit services for a three-year period through a competitive call for projects. The FY 2020/21 funding awarded at RCTC's April 11, 2018 meeting represents the final year of the FY 2018/19 – 2020/21 Call for Projects. Staff expects that the awards for the FY 2021/22 – 2023/24 Call for Projects will be approved by RCTC at the April 14, 2021 meeting, as noted in the FY 2021/22 – 2023/24 Measure A Specialized Transit Call for Projects Guidelines presented at the January 13, 2021 RCTC meeting. FY 2024/25 – FY 2025/26 funding will be determined by the FY 2024/25 – 2026/27 Call for Projects to be awarded in Spring 2024.

The **Measure A LSR Agreed-Upon Procedures** apply to all eligible cities in Riverside County and the County of Riverside. Measure A LSR funding is allocated and disbursed monthly to the cities and the County of Riverside, as specified in Measure A. RCTC does not currently anticipate any incorporations or dis-incorporations of cities that would result in a change in Measure A LSR recipients. Currently, all cities and the County of Riverside meet the eligibility requirements that include:

- Participation in the Western County or Coachella Valley Transportation Uniform Mitigation Fee (TUMF) Program, as applicable;
- Participation in the RCA's MSHCP, as applicable;
- Annual submittal of a 5-Year Capital Improvement Plan (CIP) list of projects;
- Annual Maintenance of Effort certification; and
- Annual Project Status Report for the prior fiscal year CIP.

Transportation Development Act Audits

The **TDA Transit audits** will be performed for the municipal transit operators in the Western County cities of Banning, Beaumont, Corona, and Riverside. TDA Transit operating and capital allocations are approved annually by RCTC in June based on the submittal of each transit operator's Short-Range Transit Plan. The transit operators also may unexpended Proposition 1B funding for capital/rehabilitation and/or security projects received through Caltrans and the California Office of Emergency Services (CalOES), respectively.

The **TDA Bicycle and Pedestrian audits** apply to local jurisdictions awarded funding by RCTC for bicycle and pedestrian projects through a biennial competitive call for projects. Local jurisdictions generally have two years to complete projects, including those projects approved in the FY 2019/20 Call for Projects at RCTC's June 12, 2019 meeting. However, as per revised guidelines approved by RCTC at its January 13, 2021 meeting effective with the FY 2021/22 Call for Projects to be awarded at the June 9, 2021 RCTC meeting, local jurisdictions will now have three years to complete projects. Claimants may request disbursement of their allocations by RCTC on a reimbursement basis in accordance with RCTC's policies. Accordingly, the TDA Bicycle and Pedestrian audits are dependent on claims for expenditures of such funds.

MSHCP Agreed Upon Procedures

The **MSHCP Agreed-Upon Procedures** are required for local jurisdictions that are signatories to the Joint Exercise of Powers Agreement forming the RCA. They include the 18 Western County cities and the County of Riverside. The Member Agencies form the independent RCA Board of Directors to acquire, administer, operate, and maintain land and facilities to establish habitat reserves for the conservation and protection of species covered by the MSHCP and to implement the MSHCP.

At its December 7, 2020 meeting, the RCA adopted the 2020 Nexus Study and increase in Local Development Mitigation Fees (LDMF). The LDMF increase is effective in two phases. The first phase, an increase of 50%, is effective July 1, 2021. The second phase, full implementation, is effective January 1, 2022. Member Agencies must prepare an ordinance and resolution to be considered and approved by the city council (Board of Supervisors in the case of the County of Riverside) in time to implement the new fee by July 1, 2021. Final action of the city council/Board of Supervisors must be no later than May 2, 2021 to ensure the new ordinance takes effect by July 1, 2021 in accordance with California Government Code Section 66017. Per the

Implementing Agreement with the cities and the County of Riverside signed, the cities and County must adopt the ordinance, "in substantially the same form or at a minimum, containing the same requirements as the model ordinance," adopted by the RCA Board of Directors.

Anticipated Changes in Audit and Attestation Services

RCTC does not anticipate any change in the local jurisdictions subject to TDA Transit audit and Measure A LSR attestation services; RCA does not anticipate any change in the local jurisdictions subject to MSHCP attestation services. The agencies requiring Measure A Specialized Transit and the local jurisdictions requiring TDA Bicycle and Pedestrian audits will be determined each year based on actual disbursements.

The Chief Financial Officer is designated as the coordinator of the work and may appoint a Finance Department staff to coordinate day-to-day oversight. The Chief Financial Officer will serve as the liaison to the audit oversight committee designated by RCTC and the Executive Committee designated by RCA.

The audits are to be performed by the Consultant(s) in accordance with generally accepted auditing standards, including use of the most current version of each of the following standards and guidelines:

- American Institute of Certified Public Accountants audit and attestation standards;
- General Accounting Office's (GAO) *Government Auditing Standards*;
- Measure A conformance requirements (Section I);
- Transit requirements (Section J); and
- MSHCP requirements (Section K).

B. Scope of Work to be Performed

The selected Consultant(s) will be required to perform the following tasks:

- Audit of the transit and transportation financial statements of the jurisdictions receiving TDA funds in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the TDA as summarized in the TDA Guidebook; and SGR, LCTOP, and Proposition 1B audit guidelines specified by Caltrans and CalOES.
- Performance of agreed-upon procedures similar to those listed in Section F solely to assist RCTC in evaluating the applicable jurisdictions' Measure A transportation funds and degree of their compliance with RCTC's requirements of the Measure A LSR program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A LSR program.
- Performance of agreed-upon procedures similar to those listed in Section G solely to assist RCTC in evaluating the applicable jurisdictions'/agencies' Measure A specialized transit funds and degree of their compliance with RCTC's requirements of the Measure A

specialized transit program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A Specialized Transit program.

- Performance of agreed-upon procedures similar to those listed in Section H solely to assist RCA in evaluating if fees are collected and remitted in accordance with each Member Agency's MSHCP Mitigation Fee Ordinance (with amendments). RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the MSHCP, including RCA changes to the LDMF affecting Member Agency MSHCP Mitigation Fee Ordinances and adoption of a related resolution.

C. Deliverables

Following completion of the audits and agreed-upon procedures and a review of the draft reports by RCTC, the Consultant(s) shall issue:

- A report on the fair presentation of the financial statements for the TDA claimants in conformity with generally accepted accounting principles and on compliance and internal control.
- A report on the agreed-upon procedures related to the Measure A recipients of LSR funding.
- A report on the agreed-upon procedures related to the Measure A recipients of specialized transit funding.
- A report on the agreed-upon procedures related to the MSHCP fee collection and remittance.

Drafts of the reports will be provided to RCTC staff and the applicable TDA claimant, Measure A recipient, or Member Agency. The Chief Financial Officer or designee shall review and approve each report prior to issuance.

For each report issued to RCTC, the Consultant shall issue one PDF copy to RCTC and one PDF to the applicable TDA claimant or Measure A recipient, as applicable.

For each report issued to RCA, the Consultant shall print three (3) copies and issue one PDF copy to RCA.

Financial and Compliance Reports

The Consultant will submit a financial and compliance report for each TDA audit. The Consultant will be responsible for the preparation, editing, and printing of all financial and compliance reports, including the financial statements and notes to the financial statements. Although the Consultant will prepare the financial statements, management of the TDA Claimant is responsible for the financial statements.

Agreed-Up Procedures

The Consultant will submit a report for each Measure A recipient or Member Agency, as applicable, listing the procedures performed, results of procedures performed, and findings, if any. The Consultant will be responsible for preparation, editing, and printing of all agreed-upon procedure reports.

D. Required Communications

Significant Deficiencies – In the required reports on compliance and internal controls, the Consultant shall communicate any significant deficiencies found during the audit of the TDA claimants. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Significant deficiencies that are also material weaknesses shall be identified as such in the report. Other control deficiencies discovered by the Consultant may be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance may be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts – The Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indication of illegal acts of which they become aware to the jurisdiction/agency and RCTC's/RCA's audit oversight committee, Executive Director, and Chief Financial Officer.

Planning meetings – The Consultant shall meet with RCTC staff at least once a year prior to the commencement of the audits and agreed-upon procedures.

E. Audit Schedule

The work to be performed at the jurisdictions and agencies shall be arranged by the Consultant with the individual jurisdiction or agency after the conclusion of a planning meeting with RCTC and RCTC's issuance of audit notification letters to each jurisdiction and agency.

The RCTC work should be scheduled for no later than November 15 of each year. Barring unforeseen circumstances, the Consultant must conduct the work activities and provide all required reports and information to RCTC no later than December 31 of each year. The TDA audits are required to be submitted to the State Controller by December 31 of each year; however, an extension may be granted by RCTC for no more than 90 days. RCTC's policy for Measure A reports follows the TDA requirement; however, a formal extension is generally not issued.

RCA is required to annually certify to RCTC by June 30 that local jurisdictions participating in the MSHCP comply with the MSHCP participation requirements to collect and remit fees in accordance with each Member Agency's MSHCP Ordinance (with amendments). Accordingly,

the RCA requires all agreed-upon procedures reports to be issued by February 28 in the year following the fiscal year for which the agreed-upon procedures are performed.

The Consultant shall keep RCTC apprised at least monthly on the status of the audits and any issues which have been encountered. RCTC will provide assistance, to the extent necessary and/or possible, to resolve such issues. If circumstances outside the control of the Consultant or RCTC or the RCA arise and the deadline cannot be met, both parties agree to communicate the circumstances and develop an action plan.

F. Measure A Proposed Local Streets and Roads Agreed-Up Procedures (Proposed)

1. Review the 2009 Measure A (Ordinance 02-001) compliance requirements. Western County jurisdictions are required to participate in the Transportation Uniform Mitigation Fee (TUMF) program and in the Multi-Species Habitat Conservation Plan (MSHCP), which are administered by the Western Riverside Council of Governments (WRCOG) and the Western Riverside County Regional Conservation Authority (RCA), respectively. Coachella Valley jurisdictions are required to participate in the TUMF program administered by the Coachella Valley Association of Governments (CVAG). Indicate participation in TUMF and/or MSHCP programs.
2. Obtain from RCTC the approved Five-Year Capital Improvement Plan (CIP) for the fiscal year.
3. Obtain from the jurisdiction a detail general ledger and balance sheet for the fiscal year.
 - a. Identify the amount of Measure A cash and investments recorded at the end of the fiscal year. Compare amount to Measure A fund balance and provide an explanation for any differences greater than 25% of fund balance.
 - b. Identify any amounts due from other funds.
 - c. Identify the components of ending fund balance for the Measure A activity (e.g., nonspendable, restricted, assigned, committed, unassigned) [and for County of Riverside only by geographic area].
 - i. Identify the existence of any restatement of Measure A fund balance; inquire of management as to the reason for any restatement and provide a summary of the restatement items.
 - ii. Compare ending fund balance to total revenues for the current year and prior two years. If ending fund balance is greater than sum of total revenues for the three-year period, inquire of management as to the reason(s) for the accumulation of fund balance (e.g., status of specific projects included in the 5-Year CIP).
4. Obtain an operating statement for the Measure A activity for the fiscal year, including budget amounts; include the operating statement as an exhibit to the report.
 - a. Review the revenues in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A revenues received from RCTC and identify what the total revenues were for the fiscal year.

- ii. Obtain from RCTC a listing of Measure A payments to the jurisdiction.
 - 1. Compare the Measure A sales tax revenues recorded by the jurisdiction to the listing of payments made by RCTC. [Use gross amounts paid by RCTC]
 - iii. Obtain from the jurisdiction an interest allocation schedule for the fiscal year.
 - 1. Identify the allocation amount of interest income to Measure A activity and what the amount of interest income was for the fiscal year. If no interest was allocated, inquire of management as to reason for not allocating interest income.
 - b. Review the expenditures in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A expenditures and what the total expenditures were for the fiscal year.
 - ii. Select expenditures for testing that comprise at least 20% of the total expenditures.
 - 1. For the expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation.
 - 2. For the expenditures selected for testing, review the 5-Year CIP and note if the project is included in the 5-Year CIP and is an allowable cost.
 - iii. Inquire of management as to the nature of any transfers in or out recorded in the Measure A fund. For any transfers out, determine if nature of transfer out was included in the 5-Year CIP.
 - iv. Inquire of management as to the amount of general or non-project-related indirect costs, if any, included in expenditures. If indirect costs exceed 8% of Measure A revenue, inquire of management as to the basis for indirect costs charged to Measure A. If indirect costs are identified, determine if such costs are included in the 5-Year CIP.
 - v. Inquire of management as to the amount of debt service expenditures recorded in the Measure A fund and determine if such costs are included in the 5-Year CIP.
- 5. Obtain from RCTC a listing of jurisdictions who participate in the Western County or Coachella Valley TUMF programs.
 - a. If the jurisdiction is a participant in the TUMF program, select at least one disbursement for validation as to the amount remitted to WRCOG or CVAG, as applicable.
 - b. Indicate the total amount of TUMF fees collected and remitted during the fiscal year.
- 6. Obtain from RCTC a listing of jurisdictions who participate in the Western County MSHCP program.
 - a. If the jurisdiction is a participant in the MSHCP program, select at least one disbursement for validation as to the amount remitted to RCA, as applicable.
 - b. Inquire of management as to the existence of any fees collected in prior years and not remitted to RCA as of the end of the fiscal year.
 - c. Indicate the total amount of MSHCP fees collected and remitted during the fiscal year.

7. Obtain from RCTC the MOE base year requirement, including supporting detail of the calculations for its city/County, and the carryover amount allowed as of the beginning of the fiscal year.
 - a. Obtain from the city/County a calculation of its current year MOE amount in the format similar to its base year calculation. Attach a copy of the calculation worksheet provided by the city/County as an exhibit to the report.
 - b. Compare the current year MOE amounts from the General Fund to the general ledger.
 - c. Review the General Fund general ledger to determine if there were any transfers in to fund any MOE amounts.
 - d. Compare the amount of current year MOE expenditures to the MOE base requirement and add any excess to, or subtract any deficiency from, the carryover amount.
 - e. If the amount of discretionary funds spent is less than the MOE base requirement (MOE deficiency), determine the amount of any prior year MOE carryover using the information obtained from RCTC and reduce the MOE deficiency by any available MOE carryover to determine an adjusted current year expenditure amount.

G. Measure A Proposed Specialized Transit Agreed-Upon Procedures (Proposed)

1. Obtain specialized transit grant funding agreement from RCTC, including exhibit of budget submitted with funding application, matching requirements, and any budget modifications subsequently approved by RCTC.
 - a. Inquire of management as to the accounting and identification of Measure A funded programs.
 - b. Inquire of management as to whether the accounting of Measure A funds received by the Agency were accounted for separately or commingled with other programs and/or funding sources.
2. Obtain monthly reporting package for third, sixth, ninth, and last months of the annual reporting period and revenue and expense amounts for the fiscal year from the general ledger.
 - a. Recalculate totals on reporting packages.
 - b. Inquire of management as to the accomplishment of the applicable program goals and source of documentation for accomplishing program goals. Agree third, sixth, and ninth month reports provided by RCTC to source documents from Agency as to total passenger one-way trips made or number of people served.
 - c. Include a summary of revenues and expenses from the general ledger for the fiscal year compared to budgeted amounts (present in format of monthly reporting package) as an exhibit (Exhibit A).
 - d. For the exhibit summary of revenues and expenses, calculate variances of budgeted expense amounts compared to actual amounts in terms of dollars and percentages. For expense variances greater than 25%, inquire of management as to the existence of approval from RCTC. Determine if budgeted amounts per Exhibit A are consistent with the current Commission-approved budget.

- e. For the exhibit summary of revenues and expenses, calculate the variance of total budgeted expenses compared to actual total expenses in terms of dollars and percentage.
 - i. If the variance is greater than 20%, inquire of management why the actual total expenses were less than the budgeted total expenses.
 - f. List the total revenues and expenses from the final fiscal year reporting package ("Check Sum" tab) and calculate the difference between funding received and expenses/capital expenditures incurred as per Exhibit A. For any variances, inquire of management as to the nature of the changes in originally reported revenues and/or expenses.
3. Determine if funding agreement includes requirement for matching contributions. If agency was required to provide matching contributions, perform the following procedures:
- a. Review RCTC's policy on qualifying in-kind matching contributions.
 - b. Inquire of management how matching requirements per the funding agreement were satisfied (i.e., sources) and what the total dollar value was for cash match and for in-kind matching contributions. Indicate if cash and in-kind matching amounts were not met, met, or exceeded, as applicable.
 - i. If match was not met based on budget match requirement, compare actual Measure A revenues to budgeted Measure A revenues. If full amount of budgeted Measure A was not received, the minimum match requirement should also be reduced by a proportionate amount in order to determine the adjusted match requirement.
 - ii. If adjusted match requirement was not met, inquire of management as to explanation for shortfall in meeting adjusted match requirement.
 - c. If source of match was in-kind contributions, inquire of management as to the following:
 - i. If such contributions were made by a third party.
 - ii. If such third party contributions were related to property or services which benefited the project or program and which were contributed by third parties without charge to the grantee, or through a modified cost arrangement;
 - iii. If such contributions were necessary and reasonable for the efficient accomplishment of program objectives; and
 - iv. If using volunteer time, a tracking method existed to identify when donated services were provided.
 - d. For in-kind matching contributions presented on the third, sixth, and ninth month reporting packages, compare such contribution amounts to supporting documentation provided by the third party.
 - e. Inquire of management if any loans were obtained or lines of credit utilized to pay Measure A program expenses.
 - i. If such indebtedness was incurred, inquire of management as to the amount and if such amount is reflected in revenues as a cash match.
4. Obtain amount of Measure A funds disbursed to Agency from RCTC for specialized transit grant purposes for the fiscal year.

- a. Agree amount from RCTC to amount recorded by the agency.
- 5. Obtain a summary of expenses (Personnel, Operating, Capital) by major line item incurred by the Agency related to the specialized transit grant; include summary as an exhibit (Exhibit A) to the report.
 - a. Inquire of management how Measure A expenses are recorded (i.e., direct costs, allocations, or indirect costs).
 - b. Inquire of management as to the existence of any unreported expenses related to the Measure A specialized transit program provided by the Agency. If amounts are not reported, obtain a summary of such amounts and inquire of management as to why such amounts are not reported.
 - c. Select one pay period from personnel expenses for testing.
 - d. Select operating expenses for testing that comprise at least 20% of the total expenses.
 - e. Select all capital expenditures for testing.
 - f. For the expenses/capital expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation. Additionally, for personnel expenses, agree hours charged to Measure A specialized transit activities to approved timesheet or other documentation.
 - g. For the expenses/capital expenditures selected for testing, compare the type of expense to the allowable costs included in the funding agreement.
 - h. Compare the summary of expenses/capital expenditures by major line item to the budget included in the funding agreement and note any variances.
 - i. Inquire of management as to the amount of indirect or overhead costs, if any, included in expenses and compare amount to the budget included in the funding agreement.
- 6. Inquire of management as to the existence of any temporarily restricted net assets or deferred revenues as of the end of the fiscal year related to the Measure A funded program.
 - a. Obtain a copy of approval letter from RCTC, if applicable, for the carryover of such balances.
 - b. If temporarily restricted net assets or deferred revenues exist as of the end of the fiscal year, inquire of management as to source of funds responsible for generating such balances.
- 7. Review the prior year's report and note the existence of any temporarily restricted net assets or deferred revenues as of the end of the prior fiscal year; inquire of management if such amount was used to reduce the current fiscal year disbursements of Measure A to the Agency.
- 8. Inquire of management as to the rating of the Agency's insurer for commercial general liability insurance, business automobile liability insurance, and worker's compensation insurance.

H. MSHCP Member Agency Agreed-Upon Procedures (Proposed, subject to change due to requirement to adopt new ordinance and resolution)

1. Obtain any updates to the Member Agency's ordinance for collection of the MSHCP fees.
2. Upon obtaining the updates, determine if the ordinance is in accordance with the MSHCP Implementing Agreement and Joint Powers Agreement.
3. Determine if fees on the building permits are collected in accordance with the Member Agency ordinance.
4. Obtain the schedule of fees collected on MSHCP building permits for the year ended June 30, 202X.
5. Obtain a listing of building permits issued during the year ended June 30, 202X. Identify the new construction and commercial/industrial permits. Select for testing 10% of new construction and commercial/industrial building permits, selecting no less than 25 permits or 100% of permits if total permits for new construction and commercial/industrial is less than 25.
6. Recalculate the fees collected by the Member Agency on building permits to determine if they are correct and if the correct amounts have been remitted to the RCA. If fees are incorrect, determine the fees that should have been collected and remitted.
7. Determine if fees collected on building permits were remitted to the RCA within 90 days of the earlier of the date they were collected or should have been collected.
8. Determine additional amounts, if any, which should be returned to the Member Agency for building permits.
9. If amounts are due to the RCA on building permits, calculate interest owed, based on the RCA's Resolution No. 07-04 adopted on September 10, 2007, using the interest rate paid by Riverside County (County) Treasury on amounts held by the County.
10. Obtain a list of all construction (civic and infrastructure) contracts awarded by the Member Agency during the fiscal year. Select a sample of 10% of the contracts for testing, selecting no less than three contracts, or 100% of contracts if the total number of contracts is less than three.
11. Compute the amount of MSHCP fees on the civic and infrastructure contracts that should have been remitted.
12. Determine if the MSHCP fees on the civic and infrastructure contracts were remitted to the RCA within 90 days of contract award.
13. Determine additional amounts on civic and infrastructure contracts, if any, which should be remitted to the RCA or returned to the Member Agency.
14. If additional amounts are due to the RCA on civic and infrastructure contracts, calculate interest owed, using the interest rate paid County Treasury on amounts held by the County.

I. Measure A Recipient Conformance Requirements

1. **Allowable Costs.** Measure A funds may only be used for transportation purposes including the administration of Division 25 including legal actions related thereto; the construction, capital acquisition, maintenance, and operation of streets, roads, highways including state highways and public transit systems; and for related purposes. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

- a. Eligible local street and road projects costs include any engineering, capital, or maintenance cost. Decisions on projects are to be made by *local jurisdictions* subject to Capital Improvement Program requirements.
 - i. Annual budget reflecting the local government or agency's anticipated receipts and expenditures should be prepared and submitted to *RCTC upon approval* by the governing board. The data contained in the capital improvement plans submitted to RCTC should be included in the recipient's budgets. These budgets allow for proper evaluation by RCTC of the recipient's activities on an annual basis. (Policy adopted May 8, 1991)
 - b. Eligible transit programs include special discount fares for seniors and handicapped people, commuter bus services, funding for computer assisted rideshare programs, and "seed" programs to encourage the creation of vanpools. Additionally, funds will be used to provide further reductions for the truly needy and to expand existing services and implement new services. Bus capital replacement and additional bus service may also be an eligible program within the Coachella Valley, subject to a determination of funding by the Coachella Valley Association of Governments (CVAG).
2. **Maintenance of Effort (MOE).** Additional funds provided under Measure A are intended to supplement existing local revenues being used for transportation purposes. Government agencies shall maintain their existing commitment of local funds for street highway and public transit purposes pursuant to Measure A.
- a. The local cities and the County shall annually submit to RCTC a list of the proposed uses for these funds and a certification that the MOE requirement is being met. If in any fiscal year, the maintenance of effort requirement is not met, the agency shall not be eligible for any Measure A funds in the following fiscal year. Such funds shall be distributed to the remaining local governments using the formula for the area.
 - i. Agencies may use any local discretionary funds expended for local streets and roads purposes during previous fiscal years which were in excess of their maintenance of effort requirements to meet their MOE requirements for the fiscal year. (Measure A Maintenance of Effort Guidelines)
 - b. RCTC shall assure the cities' and County compliance with MOE funding requirements before allocating funds for local streets and roads.
 - c. RCTC shall not allocate funds to an individual city or the County for local streets and roads use within the Western County and Coachella Valley areas unless WRCOG or CVAG indicates participation of agency in the Transportation Uniform Mitigation Fee program necessary for implementation of the planned regional arterial system.
3. **Allocation of Funds to Geographic Areas.** Funds for transportation purposes shall be allocated to the Western County, Coachella Valley, and Palo Verde Valley areas proportionate to the Measure A funds generated within these areas.
4. **Allocation of Funds within Geographic Areas.** RCTC shall return 2009 Measure A funds to the geographic areas as follows (*Applicable to RCTC*):

- a. **Western County.** To be distributed for the following programs: \$370 million (approx. 11% to new corridors; \$1,020 million (approx. 30%) to highways; \$390 million (approx. 12%) to public transit; \$300 million (approx. 9%) to regional arterials; \$970 million (approx. 29%) to local streets and roads; \$270 million (approx. 8%) to bond financing; and \$40 million (approx. 1%) to economic development.
 - i. Local streets and roads funding are to be distributed by a formula based on 75% on proportionate population and 25% on 2009 Measure A revenues generated within each jurisdiction, if they participate in the Transportation Uniform Mitigation Fee program and Multi-Species Habitat Conservation Plan. If local agencies choose not to participate in the TUMF and MSHCP programs, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by RCTC.
 - b. **Coachella Valley.** To be distributed for the following programs: 50% to highways and regional arterial projects; 35% to local streets and roads; and 15% to specialized public transit.
 - i. Local streets and roads funds will be provided to Coachella Valley cities and the County if they participate in the Transportation Uniform Mitigation Fee program. If local agencies choose not to participate in the TUMF program, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by CVAG.
 - ii. Local streets and roads funds are to be distributed by a formula based on 50% on proportionate dwelling units and 50% on 2009 Measure A revenues generated within each jurisdiction, as interpreted in Ordinance and direction provided by CVAG.
 - c. **Palo Verde Valley.** To be distributed 100% to local streets and roads.
 - i. Local streets and roads funds are to be distributed by a formula based on 75% on proportionate population and 25% on sales tax revenues generated in each jurisdiction.
5. **Accounting Records.** Measure A recipients are required to maintain accurate, complete, and separate accounting records for all sources of the funds they receive. Small not-for-profit agencies are encouraged but not required to maintain separate accounting records as long as Measure A receipts, related revenues, and expenditures can be readily identified. If RCTC's independent auditors are unable to readily identify which funds are being used for expenditures, then the agency will be required to maintain separate accounting records and cash accounts if they are to continue receiving Measure A allocations. Any agency which maintains poor accounting records will receive funding allocations on a reimbursement basis only. (Policy adopted May 12, 1993)
6. **Interfund Borrowing.** Interfund borrowing from Measure A funding sources to another local jurisdiction fund is strictly prohibited. Cities and agencies must maintain sufficient cash balances so as not to impair their Measure A funds. Evidence of interfund borrowing or impaired cash balances will result in the city or agency receiving

funds from RCTC on a reimbursement basis only after any existing city or agency reserves of prior Commission funds have been fully depleted. (Policy adopted May 12, 1993)

7. **Interest Income Allocations.** Interest on Measure A funds shall accrue separately for all of RCTC's programs as defined in the text of Measure A. This interest allocation policy is applicable to the entire County, and such allocations shall be made monthly. Interest earned on unexpended Measure A monies should be recorded in the Measure A fund established by a local government or other agency receiving local streets and roads or specialized transit monies. As these funds are restricted, the related interest earned should be restricted as required by governmental regulations and other transportation funding including the Transportation Act. (Policy adopted May 8, 1991 and May 12, 1993)
8. **Accumulated Deficits.** Accumulated funding source deficits are the responsibility of the local jurisdiction. RCTC will consider allocating additional funds for such deficits when justifiable on a case-by-case basis. (Policy adopted May 12, 1993)
9. **Budget Variances.** Significant budget variances should be avoided. All local jurisdictions are required to compare the budget to actual results and make mid-year revisions as needed. (Policy adopted May 12, 1993)
10. **Unexpended Monies.** Whenever the annual fiscal audit or the proposed update of the Five Year Capital Improvement Program of a local agency shows a Measure A Local Streets and Road Program carryover balance in excess of *three (3) times the annual allocation* to an agency, Commission staff will:
 - a. Meet with the local agency to have them explain the reason for the carryover and explore alternatives for moving projects faster, and
 - b. Present a report of their findings to RCTC's Budget and Finance Committee to determine if any further action should be considered and proposed to the full Commission.(Policy included in December 13, 1995 revisions to the RCTC Program and Funding Guide)

J. Transit Compliance Requirements

The auditors should review the TDA regulations for Local Transportation Fund and State Transit Assistance funding. California Code Section 6664 discusses the fiscal and compliance audits of all claimants, Section 6666 provides the compliance audit tasks for non-transit claimants, and Section 6667 provides the compliance audit tasks for transit claimants. The TDA Statutes and California Code of Regulation Guidebook is available at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-a11y.pdf>.

California Department of Transportation program guidelines for State of Good Repair funds received through RCTC are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/sgr/202008-sgr-final-guidelines-a11y.pdf>

Proposition 1B accountability requirements for Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/ptmisea/201910-ptmisea-guidelines-a11y.pdf>

Proposition 1B guidelines for Transit System Safety, Security, and Disaster Response Account (TSSSDRA) funds received through CalOES are located at:

[https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA guidelines](https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA%20guidelines)

LCTOP program guidelines for funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/lctop/201909-lctop-fy19-20-guidelines-a11y.pdf>

K. MSCHP Compliance Requirements

The auditors should review the MSHCP Member Agency requirements in various implementation documents which are available at:

MSHCP Implementation Agreement Ordinance (for current procedures, see model ordinance beginning on page 347 of link)

https://www.wrc-rca.org/Permit_Docs/MSHCP/MSHCP-Volume3.pdf

MSHCP Implementation Manual (effective for FY 2021/22 agreed-upon procedures)

https://www.wrc-rca.org/Permit_Docs/MSHCP/MSHCP%20Mitigation%20Fee%20Implementation%20Manual%20Final.pdf

End of Statement of Services

EXHIBIT "B"

COMPENSATION

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

EXHIBIT "B"

COMPENSATION SUMMARY¹

(Amounts subject to rounding differences)

FIRM	PROJECT TASKS/ROLE	COST
Prime Consultant:		
Brown Armstrong Accountancy Corporation ²	Audit and Attestation Services	\$ 622,077
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 622,077

TASK NUMBER	TASK DESCRIPTION	COST
TDA Article 3/Bicycle and Pedestrian ²	Audit Services	\$ 172,800
TDA Article 4/Transit	Audit Services	-
Measure A Local Streets and Roads	Agreed-Upon Procedures Attestation Services	194,443
Measure A Specialized Transit ²	Agreed-Upon Procedures Attestation Services	-
MSHCP Member Agencies	Agreed-Upon Procedures Attestation Services	254,833
SUBTOTAL		622,077
OTHER DIRECT COSTS		\$ -
TOTAL COSTS		\$ 622,077

FISCAL YEAR	PROJECT	COST
FY 2020/21 ²	Audit and Attestation Services	\$ 103,679
FY 2021/22 ²	Audit and Attestation Services	103,679
FY 2022/23 ²	Audit and Attestation Services	103,679
FY 2023/24 (Option Year 1) ²	Audit and Attestation Services	103,679
FY 2024/25 (Option Year 2) ²	Audit and Attestation Services	103,679
FY 2025/26 (Option Year 3) ²	Audit and Attestation Services	103,679
SUBTOTAL		622,077
TOTAL COSTS		\$ 622,077

¹ Commission authorization pertains to total contract award amount. Compensation adjustments between consultants may occur; however, the maximum total compensation authorized may not be exceeded.

² TDA Article 3/Bicycle and Pedestrian audits and Measure A Specialized Transit agreed-upon procedures will be determined annually based on TDA claimants and Measure A disbursements; accordingly, amounts are estimated. This estimate assumes eight (8) annual TDA Article 3/Bicycle and Pedestrian audits and zero (0) Measure A Specialized Transit attestation services.

Agreement No. 21-19-036-00

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE WESTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND THE MEMBER AGENCIES
OF THE
WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY
WITH CONRAD LLP**

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 2021, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and CONRAD LLP ("Consultant"), a Limited Liability Partnership.

2. RECITALS.

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing audit services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain audit and attestation services for the Commission ("Project") as set forth herein.

3. TERMS.

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and

incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to June 30, 2024, unless earlier terminated as provided herein. The Commission, at its sole discretion, may extend this Agreement for three (3) additional single year terms through June 30, 2027. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Audit Schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Audit Schedule.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key

personnel for performance of this Agreement are as follows: Andrea Jayasekara, Sam Parera, Mariana Beuchat, Cameron Gelinis, and Sage Mohan.

3.7 Commission's Representative. Commission hereby designates the Chief Financial Officer, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant's Representative. Consultant hereby designates Andrea Jayasekara, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all

costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this

Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily injury and property damage; (2) personal Injury/Advertising injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from the Commission's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional

Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto. The total compensation shall not exceed One Hundred Three Thousand Seven Hundred Sixty Dollars (\$103,760) without written approval of Commission's Executive Director ("Total Compensation"). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a monthly statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the

subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:

Conrad LLP
23161 Lake Center Dr.
Suite 200
Lake Forest, CA 92630
Attn: Andrea Jayasekara

COMMISSION:

Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

All programs, working papers, files and other materials of the Consultant made pursuant to this Agreement shall remain the property of the Consultant. The Commission will have access to this material at any time. All reports delivered by the Consultant and its subcontractors pursuant to the Agreement shall become the property of the Commission without restriction or limitation on their use and shall be made available

upon request, to the Commission at any time. Original copies of the deliverable reports shall be delivered to the Commission upon completion of the Services or termination of the Services. The Consultant shall be permitted to retain copies of such items for the furtherance of its technical proficiency; however, publication of this material is subject to the written approval of the Commission.

3.18.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.18.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by

Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, agents, consultants, employees and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of the Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation, the payment of all consequential damages, attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Commission, its directors, officials, officers, agents, consultants, employees and volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the Commission or its directors, officials, officers, agents, consultants, employees and volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse the Commission and its directors, officials, officers, agents, consultants, employees and volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to

indemnity shall not be restricted to insurance proceeds, if any, received by the Commission or its directors, officials, officers, agents, consultants, employees and volunteers. This Section 3.21 shall survive any expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this

employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 Reserved.

3.31 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

3.32 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.33 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are

not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

3.34 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.35 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.36 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.37 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.38 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.39 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.40 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.41 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.42 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.43 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.44 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE
TO
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE WESTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND THE MEMBER AGENCIES
OF THE
WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY
WITH CONRAD LLP**

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

CONRAD LLP

By: _____
Anne Mayer
Executive Director

By: _____
Signature

Name

Title

Approved as to Form:

Attest:

By: _____
Best Best & Krieger LLP
General Counsel

By: _____
Its: Secretary

EXHIBIT "A"

STATEMENT OF SERVICES

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

Statement of Services

A. General

The Riverside County Transportation Commission (RCTC), as the transportation planning agency for Riverside County and the managing agency for the Western Riverside County Regional Conservation Authority (RCA), is issuing this Request for Proposal in order to secure services from a Consultant(s) of certified public accountants to perform for the fiscal years ending June 30, 2021, 2022, and 2023, with the option of performing such services for three (3) additional one-year terms:

- Financial and compliance audits of RCTC's Transportation Development Act (TDA) claimants for transit (including funding from Local Transportation Fund (LTF) Article 4, State Transit Assistance (STA), State of Good Repair (SGR), Low Carbon Transit Operations Program (LCTOP), and Proposition 1B);
- Financial and compliance audits of RCTC's TDA claimants for bicycle and pedestrian projects (consisting of funding from LTF Article 3);
- Agreed-upon procedures similar to those proposed in Appendix A, Section G, for RCTC's Measure A recipients of local streets and roads (LSR) funding;
- Agreed-upon procedures similar to those proposed in Appendix A, Section H, for RCTC's Measure A recipients of specialized transit funding; and
- Agreed upon procedures similar to those proposed in Appendix A, Section I, for RCA's Member Agencies related to the collection and remittance of mitigation fees in accordance with each Member Agency's Multiple Species Habitat Conservation Plan (MSHCP) Ordinance (with amendments).

Measure A Agreed Upon Procedures

The **Measure A Specialized Transit Agreed-Upon Procedures** apply to Western County non-profit and community organizations awarded funding for specialized transit services for a three-year period through a competitive call for projects. The FY 2020/21 funding awarded at RCTC's April 11, 2018 meeting represents the final year of the FY 2018/19 – 2020/21 Call for Projects. Staff expects that the awards for the FY 2021/22 – 2023/24 Call for Projects will be approved by RCTC at the April 14, 2021 meeting, as noted in the FY 2021/22 – 2023/24 Measure A Specialized Transit Call for Projects Guidelines presented at the January 13, 2021 RCTC meeting. FY 2024/25 – FY 2025/26 funding will be determined by the FY 2024/25 – 2026/27 Call for Projects to be awarded in Spring 2024.

The **Measure A LSR Agreed-Upon Procedures** apply to all eligible cities in Riverside County and the County of Riverside. Measure A LSR funding is allocated and disbursed monthly to the cities and the County of Riverside, as specified in Measure A. RCTC does not currently anticipate any incorporations or dis-incorporations of cities that would result in a change in Measure A LSR recipients. Currently, all cities and the County of Riverside meet the eligibility requirements that include:

- Participation in the Western County or Coachella Valley Transportation Uniform Mitigation Fee (TUMF) Program, as applicable;
- Participation in the RCA's MSHCP, as applicable;
- Annual submittal of a 5-Year Capital Improvement Plan (CIP) list of projects;
- Annual Maintenance of Effort certification; and
- Annual Project Status Report for the prior fiscal year CIP.

Transportation Development Act Audits

The **TDA Transit audits** will be performed for the municipal transit operators in the Western County cities of Banning, Beaumont, Corona, and Riverside. TDA Transit operating and capital allocations are approved annually by RCTC in June based on the submittal of each transit operator's Short-Range Transit Plan. The transit operators also may unexpended Proposition 1B funding for capital/rehabilitation and/or security projects received through Caltrans and the California Office of Emergency Services (CalOES), respectively.

The **TDA Bicycle and Pedestrian audits** apply to local jurisdictions awarded funding by RCTC for bicycle and pedestrian projects through a biennial competitive call for projects. Local jurisdictions generally have two years to complete projects, including those projects approved in the FY 2019/20 Call for Projects at RCTC's June 12, 2019 meeting. However, as per revised guidelines approved by RCTC at its January 13, 2021 meeting effective with the FY 2021/22 Call for Projects to be awarded at the June 9, 2021 RCTC meeting, local jurisdictions will now have three years to complete projects. Claimants may request disbursement of their allocations by RCTC on a reimbursement basis in accordance with RCTC's policies. Accordingly, the TDA Bicycle and Pedestrian audits are dependent on claims for expenditures of such funds.

MSHCP Agreed Upon Procedures

The **MSHCP Agreed-Upon Procedures** are required for local jurisdictions that are signatories to the Joint Exercise of Powers Agreement forming the RCA. They include the 18 Western County cities and the County of Riverside. The Member Agencies form the independent RCA Board of Directors to acquire, administer, operate, and maintain land and facilities to establish habitat reserves for the conservation and protection of species covered by the MSHCP and to implement the MSHCP.

At its December 7, 2020 meeting, the RCA adopted the 2020 Nexus Study and increase in Local Development Mitigation Fees (LDMF). The LDMF increase is effective in two phases. The first phase, an increase of 50%, is effective July 1, 2021. The second phase, full implementation, is effective January 1, 2022. Member Agencies must prepare an ordinance and resolution to be considered and approved by the city council (Board of Supervisors in the case of the County of Riverside) in time to implement the new fee by July 1, 2021. Final action of the city council/Board of Supervisors must be no later than May 2, 2021 to ensure the new ordinance takes effect by July 1, 2021 in accordance with California Government Code Section 66017. Per the

Implementing Agreement with the cities and the County of Riverside signed, the cities and County must adopt the ordinance, "in substantially the same form or at a minimum, containing the same requirements as the model ordinance," adopted by the RCA Board of Directors.

Anticipated Changes in Audit and Attestation Services

RCTC does not anticipate any change in the local jurisdictions subject to TDA Transit audit and Measure A LSR attestation services; RCA does not anticipate any change in the local jurisdictions subject to MSHCP attestation services. The agencies requiring Measure A Specialized Transit and the local jurisdictions requiring TDA Bicycle and Pedestrian audits will be determined each year based on actual disbursements.

The Chief Financial Officer is designated as the coordinator of the work and may appoint a Finance Department staff to coordinate day-to-day oversight. The Chief Financial Officer will serve as the liaison to the audit oversight committee designated by RCTC and the Executive Committee designated by RCA.

The audits are to be performed by the Consultant(s) in accordance with generally accepted auditing standards, including use of the most current version of each of the following standards and guidelines:

- American Institute of Certified Public Accountants audit and attestation standards;
- General Accounting Office's (GAO) *Government Auditing Standards*;
- Measure A conformance requirements (Section I);
- Transit requirements (Section J); and
- MSHCP requirements (Section K).

B. Scope of Work to be Performed

The selected Consultant(s) will be required to perform the following tasks:

- Audit of the transit and transportation financial statements of the jurisdictions receiving TDA funds in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the TDA as summarized in the TDA Guidebook; and SGR, LCTOP, and Proposition 1B audit guidelines specified by Caltrans and CalOES.
- Performance of agreed-upon procedures similar to those listed in Section F solely to assist RCTC in evaluating the applicable jurisdictions' Measure A transportation funds and degree of their compliance with RCTC's requirements of the Measure A LSR program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A LSR program.
- Performance of agreed-upon procedures similar to those listed in Section G solely to assist RCTC in evaluating the applicable jurisdictions'/agencies' Measure A specialized transit funds and degree of their compliance with RCTC's requirements of the Measure A

specialized transit program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A Specialized Transit program.

- Performance of agreed-upon procedures similar to those listed in Section H solely to assist RCA in evaluating if fees are collected and remitted in accordance with each Member Agency's MSHCP Mitigation Fee Ordinance (with amendments). RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the MSHCP, including RCA changes to the LDMF affecting Member Agency MSHCP Mitigation Fee Ordinances and adoption of a related resolution.

C. Deliverables

Following completion of the audits and agreed-upon procedures and a review of the draft reports by RCTC, the Consultant(s) shall issue:

- A report on the fair presentation of the financial statements for the TDA claimants in conformity with generally accepted accounting principles and on compliance and internal control.
- A report on the agreed-upon procedures related to the Measure A recipients of LSR funding.
- A report on the agreed-upon procedures related to the Measure A recipients of specialized transit funding.
- A report on the agreed-upon procedures related to the MSHCP fee collection and remittance.

Drafts of the reports will be provided to RCTC staff and the applicable TDA claimant, Measure A recipient, or Member Agency. The Chief Financial Officer or designee shall review and approve each report prior to issuance.

For each report issued to RCTC, the Consultant shall issue one PDF copy to RCTC and one PDF to the applicable TDA claimant or Measure A recipient, as applicable.

For each report issued to RCA, the Consultant shall print three (3) copies and issue one PDF copy to RCA.

Financial and Compliance Reports

The Consultant will submit a financial and compliance report for each TDA audit. The Consultant will be responsible for the preparation, editing, and printing of all financial and compliance reports, including the financial statements and notes to the financial statements. Although the Consultant will prepare the financial statements, management of the TDA Claimant is responsible for the financial statements.

Agreed-Up Procedures

The Consultant will submit a report for each Measure A recipient or Member Agency, as applicable, listing the procedures performed, results of procedures performed, and findings, if any. The Consultant will be responsible for preparation, editing, and printing of all agreed-upon procedure reports.

D. Required Communications

Significant Deficiencies – In the required reports on compliance and internal controls, the Consultant shall communicate any significant deficiencies found during the audit of the TDA claimants. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Significant deficiencies that are also material weaknesses shall be identified as such in the report. Other control deficiencies discovered by the Consultant may be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance may be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts – The Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indication of illegal acts of which they become aware to the jurisdiction/agency and RCTC's/RCA's audit oversight committee, Executive Director, and Chief Financial Officer.

Planning meetings – The Consultant shall meet with RCTC staff at least once a year prior to the commencement of the audits and agreed-upon procedures.

E. Audit Schedule

The work to be performed at the jurisdictions and agencies shall be arranged by the Consultant with the individual jurisdiction or agency after the conclusion of a planning meeting with RCTC and RCTC's issuance of audit notification letters to each jurisdiction and agency.

The RCTC work should be scheduled for no later than November 15 of each year. Barring unforeseen circumstances, the Consultant must conduct the work activities and provide all required reports and information to RCTC no later than December 31 of each year. The TDA audits are required to be submitted to the State Controller by December 31 of each year; however, an extension may be granted by RCTC for no more than 90 days. RCTC's policy for Measure A reports follows the TDA requirement; however, a formal extension is generally not issued.

RCA is required to annually certify to RCTC by June 30 that local jurisdictions participating in the MSHCP comply with the MSHCP participation requirements to collect and remit fees in accordance with each Member Agency's MSHCP Ordinance (with amendments). Accordingly,

the RCA requires all agreed-upon procedures reports to be issued by February 28 in the year following the fiscal year for which the agreed-upon procedures are performed.

The Consultant shall keep RCTC apprised at least monthly on the status of the audits and any issues which have been encountered. RCTC will provide assistance, to the extent necessary and/or possible, to resolve such issues. If circumstances outside the control of the Consultant or RCTC or the RCA arise and the deadline cannot be met, both parties agree to communicate the circumstances and develop an action plan.

F. Measure A Proposed Local Streets and Roads Agreed-Up Procedures (Proposed)

1. Review the 2009 Measure A (Ordinance 02-001) compliance requirements. Western County jurisdictions are required to participate in the Transportation Uniform Mitigation Fee (TUMF) program and in the Multi-Species Habitat Conservation Plan (MSHCP), which are administered by the Western Riverside Council of Governments (WRCOG) and the Western Riverside County Regional Conservation Authority (RCA), respectively. Coachella Valley jurisdictions are required to participate in the TUMF program administered by the Coachella Valley Association of Governments (CVAG). Indicate participation in TUMF and/or MSHCP programs.
2. Obtain from RCTC the approved Five-Year Capital Improvement Plan (CIP) for the fiscal year.
3. Obtain from the jurisdiction a detail general ledger and balance sheet for the fiscal year.
 - a. Identify the amount of Measure A cash and investments recorded at the end of the fiscal year. Compare amount to Measure A fund balance and provide an explanation for any differences greater than 25% of fund balance.
 - b. Identify any amounts due from other funds.
 - c. Identify the components of ending fund balance for the Measure A activity (e.g., nonspendable, restricted, assigned, committed, unassigned) [and for County of Riverside only by geographic area].
 - i. Identify the existence of any restatement of Measure A fund balance; inquire of management as to the reason for any restatement and provide a summary of the restatement items.
 - ii. Compare ending fund balance to total revenues for the current year and prior two years. If ending fund balance is greater than sum of total revenues for the three-year period, inquire of management as to the reason(s) for the accumulation of fund balance (e.g., status of specific projects included in the 5-Year CIP).
4. Obtain an operating statement for the Measure A activity for the fiscal year, including budget amounts; include the operating statement as an exhibit to the report.
 - a. Review the revenues in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A revenues received from RCTC and identify what the total revenues were for the fiscal year.

- ii. Obtain from RCTC a listing of Measure A payments to the jurisdiction.
 - 1. Compare the Measure A sales tax revenues recorded by the jurisdiction to the listing of payments made by RCTC. [Use gross amounts paid by RCTC]
 - iii. Obtain from the jurisdiction an interest allocation schedule for the fiscal year.
 - 1. Identify the allocation amount of interest income to Measure A activity and what the amount of interest income was for the fiscal year. If no interest was allocated, inquire of management as to reason for not allocating interest income.
 - b. Review the expenditures in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A expenditures and what the total expenditures were for the fiscal year.
 - ii. Select expenditures for testing that comprise at least 20% of the total expenditures.
 - 1. For the expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation.
 - 2. For the expenditures selected for testing, review the 5-Year CIP and note if the project is included in the 5-Year CIP and is an allowable cost.
 - iii. Inquire of management as to the nature of any transfers in or out recorded in the Measure A fund. For any transfers out, determine if nature of transfer out was included in the 5-Year CIP.
 - iv. Inquire of management as to the amount of general or non-project-related indirect costs, if any, included in expenditures. If indirect costs exceed 8% of Measure A revenue, inquire of management as to the basis for indirect costs charged to Measure A. If indirect costs are identified, determine if such costs are included in the 5-Year CIP.
 - v. Inquire of management as to the amount of debt service expenditures recorded in the Measure A fund and determine if such costs are included in the 5-Year CIP.
- 5. Obtain from RCTC a listing of jurisdictions who participate in the Western County or Coachella Valley TUMF programs.
 - a. If the jurisdiction is a participant in the TUMF program, select at least one disbursement for validation as to the amount remitted to WRCOG or CVAG, as applicable.
 - b. Indicate the total amount of TUMF fees collected and remitted during the fiscal year.
- 6. Obtain from RCTC a listing of jurisdictions who participate in the Western County MSHCP program.
 - a. If the jurisdiction is a participant in the MSHCP program, select at least one disbursement for validation as to the amount remitted to RCA, as applicable.
 - b. Inquire of management as to the existence of any fees collected in prior years and not remitted to RCA as of the end of the fiscal year.
 - c. Indicate the total amount of MSHCP fees collected and remitted during the fiscal year.

7. Obtain from RCTC the MOE base year requirement, including supporting detail of the calculations for its city/County, and the carryover amount allowed as of the beginning of the fiscal year.
 - a. Obtain from the city/County a calculation of its current year MOE amount in the format similar to its base year calculation. Attach a copy of the calculation worksheet provided by the city/County as an exhibit to the report.
 - b. Compare the current year MOE amounts from the General Fund to the general ledger.
 - c. Review the General Fund general ledger to determine if there were any transfers in to fund any MOE amounts.
 - d. Compare the amount of current year MOE expenditures to the MOE base requirement and add any excess to, or subtract any deficiency from, the carryover amount.
 - e. If the amount of discretionary funds spent is less than the MOE base requirement (MOE deficiency), determine the amount of any prior year MOE carryover using the information obtained from RCTC and reduce the MOE deficiency by any available MOE carryover to determine an adjusted current year expenditure amount.

G. Measure A Proposed Specialized Transit Agreed-Upon Procedures (Proposed)

1. Obtain specialized transit grant funding agreement from RCTC, including exhibit of budget submitted with funding application, matching requirements, and any budget modifications subsequently approved by RCTC.
 - a. Inquire of management as to the accounting and identification of Measure A funded programs.
 - b. Inquire of management as to whether the accounting of Measure A funds received by the Agency were accounted for separately or commingled with other programs and/or funding sources.
2. Obtain monthly reporting package for third, sixth, ninth, and last months of the annual reporting period and revenue and expense amounts for the fiscal year from the general ledger.
 - a. Recalculate totals on reporting packages.
 - b. Inquire of management as to the accomplishment of the applicable program goals and source of documentation for accomplishing program goals. Agree third, sixth, and ninth month reports provided by RCTC to source documents from Agency as to total passenger one-way trips made or number of people served.
 - c. Include a summary of revenues and expenses from the general ledger for the fiscal year compared to budgeted amounts (present in format of monthly reporting package) as an exhibit (Exhibit A).
 - d. For the exhibit summary of revenues and expenses, calculate variances of budgeted expense amounts compared to actual amounts in terms of dollars and percentages. For expense variances greater than 25%, inquire of management as to the existence of approval from RCTC. Determine if budgeted amounts per Exhibit A are consistent with the current Commission-approved budget.

- e. For the exhibit summary of revenues and expenses, calculate the variance of total budgeted expenses compared to actual total expenses in terms of dollars and percentage.
 - i. If the variance is greater than 20%, inquire of management why the actual total expenses were less than the budgeted total expenses.
 - f. List the total revenues and expenses from the final fiscal year reporting package ("Check Sum" tab) and calculate the difference between funding received and expenses/capital expenditures incurred as per Exhibit A. For any variances, inquire of management as to the nature of the changes in originally reported revenues and/or expenses.
3. Determine if funding agreement includes requirement for matching contributions. If agency was required to provide matching contributions, perform the following procedures:
- a. Review RCTC's policy on qualifying in-kind matching contributions.
 - b. Inquire of management how matching requirements per the funding agreement were satisfied (i.e., sources) and what the total dollar value was for cash match and for in-kind matching contributions. Indicate if cash and in-kind matching amounts were not met, met, or exceeded, as applicable.
 - i. If match was not met based on budget match requirement, compare actual Measure A revenues to budgeted Measure A revenues. If full amount of budgeted Measure A was not received, the minimum match requirement should also be reduced by a proportionate amount in order to determine the adjusted match requirement.
 - ii. If adjusted match requirement was not met, inquire of management as to explanation for shortfall in meeting adjusted match requirement.
 - c. If source of match was in-kind contributions, inquire of management as to the following:
 - i. If such contributions were made by a third party.
 - ii. If such third party contributions were related to property or services which benefited the project or program and which were contributed by third parties without charge to the grantee, or through a modified cost arrangement;
 - iii. If such contributions were necessary and reasonable for the efficient accomplishment of program objectives; and
 - iv. If using volunteer time, a tracking method existed to identify when donated services were provided.
 - d. For in-kind matching contributions presented on the third, sixth, and ninth month reporting packages, compare such contribution amounts to supporting documentation provided by the third party.
 - e. Inquire of management if any loans were obtained or lines of credit utilized to pay Measure A program expenses.
 - i. If such indebtedness was incurred, inquire of management as to the amount and if such amount is reflected in revenues as a cash match.
4. Obtain amount of Measure A funds disbursed to Agency from RCTC for specialized transit grant purposes for the fiscal year.

- a. Agree amount from RCTC to amount recorded by the agency.
- 5. Obtain a summary of expenses (Personnel, Operating, Capital) by major line item incurred by the Agency related to the specialized transit grant; include summary as an exhibit (Exhibit A) to the report.
 - a. Inquire of management how Measure A expenses are recorded (i.e., direct costs, allocations, or indirect costs).
 - b. Inquire of management as to the existence of any unreported expenses related to the Measure A specialized transit program provided by the Agency. If amounts are not reported, obtain a summary of such amounts and inquire of management as to why such amounts are not reported.
 - c. Select one pay period from personnel expenses for testing.
 - d. Select operating expenses for testing that comprise at least 20% of the total expenses.
 - e. Select all capital expenditures for testing.
 - f. For the expenses/capital expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation. Additionally, for personnel expenses, agree hours charged to Measure A specialized transit activities to approved timesheet or other documentation.
 - g. For the expenses/capital expenditures selected for testing, compare the type of expense to the allowable costs included in the funding agreement.
 - h. Compare the summary of expenses/capital expenditures by major line item to the budget included in the funding agreement and note any variances.
 - i. Inquire of management as to the amount of indirect or overhead costs, if any, included in expenses and compare amount to the budget included in the funding agreement.
- 6. Inquire of management as to the existence of any temporarily restricted net assets or deferred revenues as of the end of the fiscal year related to the Measure A funded program.
 - a. Obtain a copy of approval letter from RCTC, if applicable, for the carryover of such balances.
 - b. If temporarily restricted net assets or deferred revenues exist as of the end of the fiscal year, inquire of management as to source of funds responsible for generating such balances.
- 7. Review the prior year's report and note the existence of any temporarily restricted net assets or deferred revenues as of the end of the prior fiscal year; inquire of management if such amount was used to reduce the current fiscal year disbursements of Measure A to the Agency.
- 8. Inquire of management as to the rating of the Agency's insurer for commercial general liability insurance, business automobile liability insurance, and worker's compensation insurance.

H. MSHCP Member Agency Agreed-Upon Procedures (Proposed, subject to change due to requirement to adopt new ordinance and resolution)

1. Obtain any updates to the Member Agency's ordinance for collection of the MSHCP fees.
2. Upon obtaining the updates, determine if the ordinance is in accordance with the MSHCP Implementing Agreement and Joint Powers Agreement.
3. Determine if fees on the building permits are collected in accordance with the Member Agency ordinance.
4. Obtain the schedule of fees collected on MSHCP building permits for the year ended June 30, 202X.
5. Obtain a listing of building permits issued during the year ended June 30, 202X. Identify the new construction and commercial/industrial permits. Select for testing 10% of new construction and commercial/industrial building permits, selecting no less than 25 permits or 100% of permits if total permits for new construction and commercial/industrial is less than 25.
6. Recalculate the fees collected by the Member Agency on building permits to determine if they are correct and if the correct amounts have been remitted to the RCA. If fees are incorrect, determine the fees that should have been collected and remitted.
7. Determine if fees collected on building permits were remitted to the RCA within 90 days of the earlier of the date they were collected or should have been collected.
8. Determine additional amounts, if any, which should be returned to the Member Agency for building permits.
9. If amounts are due to the RCA on building permits, calculate interest owed, based on the RCA's Resolution No. 07-04 adopted on September 10, 2007, using the interest rate paid by Riverside County (County) Treasury on amounts held by the County.
10. Obtain a list of all construction (civic and infrastructure) contracts awarded by the Member Agency during the fiscal year. Select a sample of 10% of the contracts for testing, selecting no less than three contracts, or 100% of contracts if the total number of contracts is less than three.
11. Compute the amount of MSHCP fees on the civic and infrastructure contracts that should have been remitted.
12. Determine if the MSHCP fees on the civic and infrastructure contracts were remitted to the RCA within 90 days of contract award.
13. Determine additional amounts on civic and infrastructure contracts, if any, which should be remitted to the RCA or returned to the Member Agency.
14. If additional amounts are due to the RCA on civic and infrastructure contracts, calculate interest owed, using the interest rate paid County Treasury on amounts held by the County.

I. Measure A Recipient Conformance Requirements

1. **Allowable Costs.** Measure A funds may only be used for transportation purposes including the administration of Division 25 including legal actions related thereto; the construction, capital acquisition, maintenance, and operation of streets, roads, highways including state highways and public transit systems; and for related purposes. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

- a. Eligible local street and road projects costs include any engineering, capital, or maintenance cost. Decisions on projects are to be made by *local jurisdictions* subject to Capital Improvement Program requirements.
 - i. Annual budget reflecting the local government or agency's anticipated receipts and expenditures should be prepared and submitted to *RCTC upon approval* by the governing board. The data contained in the capital improvement plans submitted to RCTC should be included in the recipient's budgets. These budgets allow for proper evaluation by RCTC of the recipient's activities on an annual basis. (Policy adopted May 8, 1991)
 - b. Eligible transit programs include special discount fares for seniors and handicapped people, commuter bus services, funding for computer assisted rideshare programs, and "seed" programs to encourage the creation of vanpools. Additionally, funds will be used to provide further reductions for the truly needy and to expand existing services and implement new services. Bus capital replacement and additional bus service may also be an eligible program within the Coachella Valley, subject to a determination of funding by the Coachella Valley Association of Governments (CVAG).
2. **Maintenance of Effort (MOE).** Additional funds provided under Measure A are intended to supplement existing local revenues being used for transportation purposes. Government agencies shall maintain their existing commitment of local funds for street highway and public transit purposes pursuant to Measure A.
- a. The local cities and the County shall annually submit to RCTC a list of the proposed uses for these funds and a certification that the MOE requirement is being met. If in any fiscal year, the maintenance of effort requirement is not met, the agency shall not be eligible for any Measure A funds in the following fiscal year. Such funds shall be distributed to the remaining local governments using the formula for the area.
 - i. Agencies may use any local discretionary funds expended for local streets and roads purposes during previous fiscal years which were in excess of their maintenance of effort requirements to meet their MOE requirements for the fiscal year. (Measure A Maintenance of Effort Guidelines)
 - b. RCTC shall assure the cities' and County compliance with MOE funding requirements before allocating funds for local streets and roads.
 - c. RCTC shall not allocate funds to an individual city or the County for local streets and roads use within the Western County and Coachella Valley areas unless WRCOG or CVAG indicates participation of agency in the Transportation Uniform Mitigation Fee program necessary for implementation of the planned regional arterial system.
3. **Allocation of Funds to Geographic Areas.** Funds for transportation purposes shall be allocated to the Western County, Coachella Valley, and Palo Verde Valley areas proportionate to the Measure A funds generated within these areas.
4. **Allocation of Funds within Geographic Areas.** RCTC shall return 2009 Measure A funds to the geographic areas as follows (*Applicable to RCTC*):

- a. **Western County.** To be distributed for the following programs: \$370 million (approx. 11% to new corridors; \$1,020 million (approx. 30%) to highways; \$390 million (approx. 12%) to public transit; \$300 million (approx. 9%) to regional arterials; \$970 million (approx. 29%) to local streets and roads; \$270 million (approx. 8%) to bond financing; and \$40 million (approx. 1%) to economic development.
 - i. Local streets and roads funding are to be distributed by a formula based on 75% on proportionate population and 25% on 2009 Measure A revenues generated within each jurisdiction, if they participate in the Transportation Uniform Mitigation Fee program and Multi-Species Habitat Conservation Plan. If local agencies choose not to participate in the TUMF and MSHCP programs, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by RCTC.
 - b. **Coachella Valley.** To be distributed for the following programs: 50% to highways and regional arterial projects; 35% to local streets and roads; and 15% to specialized public transit.
 - i. Local streets and roads funds will be provided to Coachella Valley cities and the County if they participate in the Transportation Uniform Mitigation Fee program. If local agencies choose not to participate in the TUMF program, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by CVAG.
 - ii. Local streets and roads funds are to be distributed by a formula based on 50% on proportionate dwelling units and 50% on 2009 Measure A revenues generated within each jurisdiction, as interpreted in Ordinance and direction provided by CVAG.
 - c. **Palo Verde Valley.** To be distributed 100% to local streets and roads.
 - i. Local streets and roads funds are to be distributed by a formula based on 75% on proportionate population and 25% on sales tax revenues generated in each jurisdiction.
5. **Accounting Records.** Measure A recipients are required to maintain accurate, complete, and separate accounting records for all sources of the funds they receive. Small not-for-profit agencies are encouraged but not required to maintain separate accounting records as long as Measure A receipts, related revenues, and expenditures can be readily identified. If RCTC's independent auditors are unable to readily identify which funds are being used for expenditures, then the agency will be required to maintain separate accounting records and cash accounts if they are to continue receiving Measure A allocations. Any agency which maintains poor accounting records will receive funding allocations on a reimbursement basis only. (Policy adopted May 12, 1993)
6. **Interfund Borrowing.** Interfund borrowing from Measure A funding sources to another local jurisdiction fund is strictly prohibited. Cities and agencies must maintain sufficient cash balances so as not to impair their Measure A funds. Evidence of interfund borrowing or impaired cash balances will result in the city or agency receiving

funds from RCTC on a reimbursement basis only after any existing city or agency reserves of prior Commission funds have been fully depleted. (Policy adopted May 12, 1993)

7. **Interest Income Allocations.** Interest on Measure A funds shall accrue separately for all of RCTC's programs as defined in the text of Measure A. This interest allocation policy is applicable to the entire County, and such allocations shall be made monthly. Interest earned on unexpended Measure A monies should be recorded in the Measure A fund established by a local government or other agency receiving local streets and roads or specialized transit monies. As these funds are restricted, the related interest earned should be restricted as required by governmental regulations and other transportation funding including the Transportation Act. (Policy adopted May 8, 1991 and May 12, 1993)
8. **Accumulated Deficits.** Accumulated funding source deficits are the responsibility of the local jurisdiction. RCTC will consider allocating additional funds for such deficits when justifiable on a case-by-case basis. (Policy adopted May 12, 1993)
9. **Budget Variances.** Significant budget variances should be avoided. All local jurisdictions are required to compare the budget to actual results and make mid-year revisions as needed. (Policy adopted May 12, 1993)
10. **Unexpended Monies.** Whenever the annual fiscal audit or the proposed update of the Five Year Capital Improvement Program of a local agency shows a Measure A Local Streets and Road Program carryover balance in excess of *three (3) times the annual allocation* to an agency, Commission staff will:
 - a. Meet with the local agency to have them explain the reason for the carryover and explore alternatives for moving projects faster, and
 - b. Present a report of their findings to RCTC's Budget and Finance Committee to determine if any further action should be considered and proposed to the full Commission.(Policy included in December 13, 1995 revisions to the RCTC Program and Funding Guide)

J. Transit Compliance Requirements

The auditors should review the TDA regulations for Local Transportation Fund and State Transit Assistance funding. California Code Section 6664 discusses the fiscal and compliance audits of all claimants, Section 6666 provides the compliance audit tasks for non-transit claimants, and Section 6667 provides the compliance audit tasks for transit claimants. The TDA Statutes and California Code of Regulation Guidebook is available at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-a11y.pdf>.

California Department of Transportation program guidelines for State of Good Repair funds received through RCTC are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/sgr/202008-sgr-final-guidelines-a11y.pdf>

Proposition 1B accountability requirements for Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/ptmisea/201910-ptmisea-guidelines-a11y.pdf>

Proposition 1B guidelines for Transit System Safety, Security, and Disaster Response Account (TSSSDRA) funds received through CalOES are located at:

[https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA guidelines](https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA%20guidelines)

LCTOP program guidelines for funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/lctop/201909-lctop-fy19-20-guidelines-a11y.pdf>

K. MSCHP Compliance Requirements

The auditors should review the MSHCP Member Agency requirements in various implementation documents which are available at:

MSHCP Implementation Agreement Ordinance (for current procedures, see model ordinance beginning on page 347 of link)

https://www.wrc-rca.org/Permit_Docs/MSHCP/MSHCP-Volume3.pdf

MSHCP Implementation Manual (effective for FY 2021/22 agreed-upon procedures)

https://www.wrc-rca.org/Permit_Docs/MSHCP/MSHCP%20Mitigation%20Fee%20Implementation%20Manual%20Final.pdf

End of Statement of Services

EXHIBIT "B"

COMPENSATION

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

EXHIBIT "B"

COMPENSATION SUMMARY¹

(Amounts subject to rounding differences)

FIRM	PROJECT TASKS/ROLE	COST
Prime Consultant:		
Conrad LLP ²	Audit and Attestation Services	\$ 103,760
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 103,760

TASK NUMBER	TASK DESCRIPTION	COST
TDA Article 3/Bicycle and Pedestrian ²	Audit Services	\$ -
TDA Article 4/Transit	Audit Services	-
Measure A Local Streets and Roads	Agreed-Upon Procedures Attestation Services	45,100
Measure A Specialized Transit ²	Agreed-Upon Procedures Attestation Services	-
MSHCP Member Agencies	Agreed-Upon Procedures Attestation Services	58,660
SUBTOTAL		103,760
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 103,760

FISCAL YEAR	PROJECT	COST
FY 2020/21 ²	Audit and Attestation Services	\$ 17,238
FY 2021/22 ²	Audit and Attestation Services	17,260
FY 2022/23 ²	Audit and Attestation Services	17,282
FY 2023/24 (Option Year 1) ²	Audit and Attestation Services	17,304
FY 2024/25 (Option Year 2) ²	Audit and Attestation Services	17,327
FY 2025/26 (Option Year 3) ²	Audit and Attestation Services	17,349
SUBTOTAL		103,760
TOTAL COSTS		\$ 103,760

¹ Commission authorization pertains to total contract award amount. Compensation adjustments between consultants may occur; however, the maximum total compensation authorized may not be exceeded.

² TDA Article 3/Bicycle and Pedestrian audits and Measure A Specialized Transit agreed-upon procedures will be determined annually based on TDA claimants and Measure A disbursements; accordingly, amounts are estimated. This estimate assumes zero (0) annual TDA Article 3/Bicycle and Pedestrian audits and zero (0) Measure A Specialized Transit attestation services.

Agreement No. 21-19-037-00

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
 FOR THE WESTERN RIVERSIDE COUNTY
 MEASURE A RECIPIENTS AND
 TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
 OF THE
 RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 AND THE MEMBER AGENCIES
 OF THE
 WESTERN RIVERSIDE COUNTY
 REGIONAL CONSERVATION AUTHORITY
 WITH EIDE BAILLY LLP**

1. PARTIES AND DATE.

This Agreement is made and entered into this ___ day of ___, 2021, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and EIDE BAILLY LLP ("Consultant"), a Limited Liability Partnership.

2. RECITALS.

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing audit services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain audit and attestation services for the Commission ("Project") as set forth herein.

3. TERMS.

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and

incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to June 30, 2024, unless earlier terminated as provided herein. The Commission, at its sole discretion, may extend this Agreement for three (3) additional single year terms through June 30, 2027. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Audit Schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Audit Schedule.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key personnel for performance of this Agreement are as follows: Roger Alfaro, Phillip White,

Kinnaly Soukhaseum, Jessica Andersen, Erika Partida, Lauryn Stapleton, David Preciado, Joan Park, and Jesse Pattison.

3.7 Commission's Representative. Commission hereby designates the Chief Financial Officer, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant's Representative. Consultant hereby designates Roger Alfaro, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all

costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this

Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily injury and property damage; (2) personal Injury/Advertising injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from the Commission's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability

Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional

Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto. The total compensation shall not exceed Four Hundred Twenty-Four Thousand Nine Hundred Seventy-Seven Dollars (\$424,977) without written approval of Commission's Executive Director ("Total Compensation"). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a monthly statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the

subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:

Eide Bailly LLP
19340 Jesse Ln.
Suite 260
Riverside, CA 92508
Attn: Roger Alfaro

COMMISSION:

Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

All programs, working papers, files and other materials of the Consultant made pursuant to this Agreement shall remain the property of the Consultant. The Commission will have access to this material at any time. All reports delivered by the Consultant and its subcontractors pursuant to the Agreement shall become the property of the Commission without restriction or limitation on their use and shall be made available

upon request, to the Commission at any time. Original copies of the deliverable reports shall be delivered to the Commission upon completion of the Services or termination of the Services. The Consultant shall be permitted to retain copies of such items for the furtherance of its technical proficiency; however, publication of this material is subject to the written approval of the Commission.

3.18.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.18.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by

Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, agents, consultants, employees and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of the Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation, the payment of all consequential damages, attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Commission, its directors, officials, officers, agents, consultants, employees and volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the Commission or its directors, officials, officers, agents, consultants, employees and volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse the Commission and its directors, officials, officers, agents, consultants, employees and volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to

indemnity shall not be restricted to insurance proceeds, if any, received by the Commission or its directors, officials, officers, agents, consultants, employees and volunteers. This Section 3.21 shall survive any expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this

employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 Reserved.

3.31 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

3.32 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.33 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are

not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

3.34 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.35 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.36 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.37 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.38 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.39 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.40 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.41 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.42 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.43 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.44 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT

**SIGNATURE PAGE
TO
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE WESTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND THE MEMBER AGENCIES
OF THE
WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY
WITH EIDE BAILLY LLP**

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

EIDE BAILLY LLP

By: _____
Anne Mayer
Executive Director

By: _____
Signature

Name

Title

Approved as to Form:

Attest:

By: _____
Best Best & Krieger LLP
General Counsel

By: _____
Its: Secretary

EXHIBIT "A"

STATEMENT OF SERVICES

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

Statement of Services

A. General

The Riverside County Transportation Commission (RCTC), as the transportation planning agency for Riverside County and the managing agency for the Western Riverside County Regional Conservation Authority (RCA), is issuing this Request for Proposal in order to secure services from a Consultant(s) of certified public accountants to perform for the fiscal years ending June 30, 2021, 2022, and 2023, with the option of performing such services for three (3) additional one-year terms:

- Financial and compliance audits of RCTC's Transportation Development Act (TDA) claimants for transit (including funding from Local Transportation Fund (LTF) Article 4, State Transit Assistance (STA), State of Good Repair (SGR), Low Carbon Transit Operations Program (LCTOP), and Proposition 1B);
- Financial and compliance audits of RCTC's TDA claimants for bicycle and pedestrian projects (consisting of funding from LTF Article 3);
- Agreed-upon procedures similar to those proposed in Appendix A, Section G, for RCTC's Measure A recipients of local streets and roads (LSR) funding;
- Agreed-upon procedures similar to those proposed in Appendix A, Section H, for RCTC's Measure A recipients of specialized transit funding; and
- Agreed upon procedures similar to those proposed in Appendix A, Section I, for RCA's Member Agencies related to the collection and remittance of mitigation fees in accordance with each Member Agency's Multiple Species Habitat Conservation Plan (MSHCP) Ordinance (with amendments).

Measure A Agreed Upon Procedures

The **Measure A Specialized Transit Agreed-Upon Procedures** apply to Western County non-profit and community organizations awarded funding for specialized transit services for a three-year period through a competitive call for projects. The FY 2020/21 funding awarded at RCTC's April 11, 2018 meeting represents the final year of the FY 2018/19 – 2020/21 Call for Projects. Staff expects that the awards for the FY 2021/22 – 2023/24 Call for Projects will be approved by RCTC at the April 14, 2021 meeting, as noted in the FY 2021/22 – 2023/24 Measure A Specialized Transit Call for Projects Guidelines presented at the January 13, 2021 RCTC meeting. FY 2024/25 – FY 2025/26 funding will be determined by the FY 2024/25 – 2026/27 Call for Projects to be awarded in Spring 2024.

The **Measure A LSR Agreed-Upon Procedures** apply to all eligible cities in Riverside County and the County of Riverside. Measure A LSR funding is allocated and disbursed monthly to the cities and the County of Riverside, as specified in Measure A. RCTC does not currently anticipate any incorporations or dis-incorporations of cities that would result in a change in Measure A LSR recipients. Currently, all cities and the County of Riverside meet the eligibility requirements that include:

- Participation in the Western County or Coachella Valley Transportation Uniform Mitigation Fee (TUMF) Program, as applicable;
- Participation in the RCA's MSHCP, as applicable;
- Annual submittal of a 5-Year Capital Improvement Plan (CIP) list of projects;
- Annual Maintenance of Effort certification; and
- Annual Project Status Report for the prior fiscal year CIP.

Transportation Development Act Audits

The **TDA Transit audits** will be performed for the municipal transit operators in the Western County cities of Banning, Beaumont, Corona, and Riverside. TDA Transit operating and capital allocations are approved annually by RCTC in June based on the submittal of each transit operator's Short-Range Transit Plan. The transit operators also may unexpended Proposition 1B funding for capital/rehabilitation and/or security projects received through Caltrans and the California Office of Emergency Services (CalOES), respectively.

The **TDA Bicycle and Pedestrian audits** apply to local jurisdictions awarded funding by RCTC for bicycle and pedestrian projects through a biennial competitive call for projects. Local jurisdictions generally have two years to complete projects, including those projects approved in the FY 2019/20 Call for Projects at RCTC's June 12, 2019 meeting. However, as per revised guidelines approved by RCTC at its January 13, 2021 meeting effective with the FY 2021/22 Call for Projects to be awarded at the June 9, 2021 RCTC meeting, local jurisdictions will now have three years to complete projects. Claimants may request disbursement of their allocations by RCTC on a reimbursement basis in accordance with RCTC's policies. Accordingly, the TDA Bicycle and Pedestrian audits are dependent on claims for expenditures of such funds.

MSHCP Agreed Upon Procedures

The **MSHCP Agreed-Upon Procedures** are required for local jurisdictions that are signatories to the Joint Exercise of Powers Agreement forming the RCA. They include the 18 Western County cities and the County of Riverside. The Member Agencies form the independent RCA Board of Directors to acquire, administer, operate, and maintain land and facilities to establish habitat reserves for the conservation and protection of species covered by the MSHCP and to implement the MSHCP.

At its December 7, 2020 meeting, the RCA adopted the 2020 Nexus Study and increase in Local Development Mitigation Fees (LDMF). The LDMF increase is effective in two phases. The first phase, an increase of 50%, is effective July 1, 2021. The second phase, full implementation, is effective January 1, 2022. Member Agencies must prepare an ordinance and resolution to be considered and approved by the city council (Board of Supervisors in the case of the County of Riverside) in time to implement the new fee by July 1, 2021. Final action of the city council/Board of Supervisors must be no later than May 2, 2021 to ensure the new ordinance takes effect by July 1, 2021 in accordance with California Government Code Section 66017. Per the

Implementing Agreement with the cities and the County of Riverside signed, the cities and County must adopt the ordinance, "in substantially the same form or at a minimum, containing the same requirements as the model ordinance," adopted by the RCA Board of Directors.

Anticipated Changes in Audit and Attestation Services

RCTC does not anticipate any change in the local jurisdictions subject to TDA Transit audit and Measure A LSR attestation services; RCA does not anticipate any change in the local jurisdictions subject to MSHCP attestation services. The agencies requiring Measure A Specialized Transit and the local jurisdictions requiring TDA Bicycle and Pedestrian audits will be determined each year based on actual disbursements.

The Chief Financial Officer is designated as the coordinator of the work and may appoint a Finance Department staff to coordinate day-to-day oversight. The Chief Financial Officer will serve as the liaison to the audit oversight committee designated by RCTC and the Executive Committee designated by RCA.

The audits are to be performed by the Consultant(s) in accordance with generally accepted auditing standards, including use of the most current version of each of the following standards and guidelines:

- American Institute of Certified Public Accountants audit and attestation standards;
- General Accounting Office's (GAO) *Government Auditing Standards*;
- Measure A conformance requirements (Section I);
- Transit requirements (Section J); and
- MSHCP requirements (Section K).

B. Scope of Work to be Performed

The selected Consultant(s) will be required to perform the following tasks:

- Audit of the transit and transportation financial statements of the jurisdictions receiving TDA funds in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the TDA as summarized in the TDA Guidebook; and SGR, LCTOP, and Proposition 1B audit guidelines specified by Caltrans and CalOES.
- Performance of agreed-upon procedures similar to those listed in Section F solely to assist RCTC in evaluating the applicable jurisdictions' Measure A transportation funds and degree of their compliance with RCTC's requirements of the Measure A LSR program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A LSR program.
- Performance of agreed-upon procedures similar to those listed in Section G solely to assist RCTC in evaluating the applicable jurisdictions'/agencies' Measure A specialized transit funds and degree of their compliance with RCTC's requirements of the Measure A

specialized transit program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A Specialized Transit program.

- Performance of agreed-upon procedures similar to those listed in Section H solely to assist RCA in evaluating if fees are collected and remitted in accordance with each Member Agency's MSHCP Mitigation Fee Ordinance (with amendments). RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the MSHCP, including RCA changes to the LDMF affecting Member Agency MSHCP Mitigation Fee Ordinances and adoption of a related resolution.

C. Deliverables

Following completion of the audits and agreed-upon procedures and a review of the draft reports by RCTC, the Consultant(s) shall issue:

- A report on the fair presentation of the financial statements for the TDA claimants in conformity with generally accepted accounting principles and on compliance and internal control.
- A report on the agreed-upon procedures related to the Measure A recipients of LSR funding.
- A report on the agreed-upon procedures related to the Measure A recipients of specialized transit funding.
- A report on the agreed-upon procedures related to the MSHCP fee collection and remittance.

Drafts of the reports will be provided to RCTC staff and the applicable TDA claimant, Measure A recipient, or Member Agency. The Chief Financial Officer or designee shall review and approve each report prior to issuance.

For each report issued to RCTC, the Consultant shall issue one PDF copy to RCTC and one PDF to the applicable TDA claimant or Measure A recipient, as applicable.

For each report issued to RCA, the Consultant shall print three (3) copies and issue one PDF copy to RCA.

Financial and Compliance Reports

The Consultant will submit a financial and compliance report for each TDA audit. The Consultant will be responsible for the preparation, editing, and printing of all financial and compliance reports, including the financial statements and notes to the financial statements. Although the Consultant will prepare the financial statements, management of the TDA Claimant is responsible for the financial statements.

Agreed-Up Procedures

The Consultant will submit a report for each Measure A recipient or Member Agency, as applicable, listing the procedures performed, results of procedures performed, and findings, if any. The Consultant will be responsible for preparation, editing, and printing of all agreed-upon procedure reports.

D. Required Communications

Significant Deficiencies – In the required reports on compliance and internal controls, the Consultant shall communicate any significant deficiencies found during the audit of the TDA claimants. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Significant deficiencies that are also material weaknesses shall be identified as such in the report. Other control deficiencies discovered by the Consultant may be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance may be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts – The Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indication of illegal acts of which they become aware to the jurisdiction/agency and RCTC's/RCA's audit oversight committee, Executive Director, and Chief Financial Officer.

Planning meetings – The Consultant shall meet with RCTC staff at least once a year prior to the commencement of the audits and agreed-upon procedures.

E. Audit Schedule

The work to be performed at the jurisdictions and agencies shall be arranged by the Consultant with the individual jurisdiction or agency after the conclusion of a planning meeting with RCTC and RCTC's issuance of audit notification letters to each jurisdiction and agency.

The RCTC work should be scheduled for no later than November 15 of each year. Barring unforeseen circumstances, the Consultant must conduct the work activities and provide all required reports and information to RCTC no later than December 31 of each year. The TDA audits are required to be submitted to the State Controller by December 31 of each year; however, an extension may be granted by RCTC for no more than 90 days. RCTC's policy for Measure A reports follows the TDA requirement; however, a formal extension is generally not issued.

RCA is required to annually certify to RCTC by June 30 that local jurisdictions participating in the MSHCP comply with the MSHCP participation requirements to collect and remit fees in accordance with each Member Agency's MSHCP Ordinance (with amendments). Accordingly,

the RCA requires all agreed-upon procedures reports to be issued by February 28 in the year following the fiscal year for which the agreed-upon procedures are performed.

The Consultant shall keep RCTC apprised at least monthly on the status of the audits and any issues which have been encountered. RCTC will provide assistance, to the extent necessary and/or possible, to resolve such issues. If circumstances outside the control of the Consultant or RCTC or the RCA arise and the deadline cannot be met, both parties agree to communicate the circumstances and develop an action plan.

F. Measure A Proposed Local Streets and Roads Agreed-Up Procedures (Proposed)

1. Review the 2009 Measure A (Ordinance 02-001) compliance requirements. Western County jurisdictions are required to participate in the Transportation Uniform Mitigation Fee (TUMF) program and in the Multi-Species Habitat Conservation Plan (MSHCP), which are administered by the Western Riverside Council of Governments (WRCOG) and the Western Riverside County Regional Conservation Authority (RCA), respectively. Coachella Valley jurisdictions are required to participate in the TUMF program administered by the Coachella Valley Association of Governments (CVAG). Indicate participation in TUMF and/or MSHCP programs.
2. Obtain from RCTC the approved Five-Year Capital Improvement Plan (CIP) for the fiscal year.
3. Obtain from the jurisdiction a detail general ledger and balance sheet for the fiscal year.
 - a. Identify the amount of Measure A cash and investments recorded at the end of the fiscal year. Compare amount to Measure A fund balance and provide an explanation for any differences greater than 25% of fund balance.
 - b. Identify any amounts due from other funds.
 - c. Identify the components of ending fund balance for the Measure A activity (e.g., nonspendable, restricted, assigned, committed, unassigned) [and for County of Riverside only by geographic area].
 - i. Identify the existence of any restatement of Measure A fund balance; inquire of management as to the reason for any restatement and provide a summary of the restatement items.
 - ii. Compare ending fund balance to total revenues for the current year and prior two years. If ending fund balance is greater than sum of total revenues for the three-year period, inquire of management as to the reason(s) for the accumulation of fund balance (e.g., status of specific projects included in the 5-Year CIP).
4. Obtain an operating statement for the Measure A activity for the fiscal year, including budget amounts; include the operating statement as an exhibit to the report.
 - a. Review the revenues in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A revenues received from RCTC and identify what the total revenues were for the fiscal year.

- ii. Obtain from RCTC a listing of Measure A payments to the jurisdiction.
 - 1. Compare the Measure A sales tax revenues recorded by the jurisdiction to the listing of payments made by RCTC. [Use gross amounts paid by RCTC]
 - iii. Obtain from the jurisdiction an interest allocation schedule for the fiscal year.
 - 1. Identify the allocation amount of interest income to Measure A activity and what the amount of interest income was for the fiscal year. If no interest was allocated, inquire of management as to reason for not allocating interest income.
 - b. Review the expenditures in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A expenditures and what the total expenditures were for the fiscal year.
 - ii. Select expenditures for testing that comprise at least 20% of the total expenditures.
 - 1. For the expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation.
 - 2. For the expenditures selected for testing, review the 5-Year CIP and note if the project is included in the 5-Year CIP and is an allowable cost.
 - iii. Inquire of management as to the nature of any transfers in or out recorded in the Measure A fund. For any transfers out, determine if nature of transfer out was included in the 5-Year CIP.
 - iv. Inquire of management as to the amount of general or non-project-related indirect costs, if any, included in expenditures. If indirect costs exceed 8% of Measure A revenue, inquire of management as to the basis for indirect costs charged to Measure A. If indirect costs are identified, determine if such costs are included in the 5-Year CIP.
 - v. Inquire of management as to the amount of debt service expenditures recorded in the Measure A fund and determine if such costs are included in the 5-Year CIP.
- 5. Obtain from RCTC a listing of jurisdictions who participate in the Western County or Coachella Valley TUMF programs.
 - a. If the jurisdiction is a participant in the TUMF program, select at least one disbursement for validation as to the amount remitted to WRCOG or CVAG, as applicable.
 - b. Indicate the total amount of TUMF fees collected and remitted during the fiscal year.
- 6. Obtain from RCTC a listing of jurisdictions who participate in the Western County MSHCP program.
 - a. If the jurisdiction is a participant in the MSHCP program, select at least one disbursement for validation as to the amount remitted to RCA, as applicable.
 - b. Inquire of management as to the existence of any fees collected in prior years and not remitted to RCA as of the end of the fiscal year.
 - c. Indicate the total amount of MSHCP fees collected and remitted during the fiscal year.

7. Obtain from RCTC the MOE base year requirement, including supporting detail of the calculations for its city/County, and the carryover amount allowed as of the beginning of the fiscal year.
 - a. Obtain from the city/County a calculation of its current year MOE amount in the format similar to its base year calculation. Attach a copy of the calculation worksheet provided by the city/County as an exhibit to the report.
 - b. Compare the current year MOE amounts from the General Fund to the general ledger.
 - c. Review the General Fund general ledger to determine if there were any transfers in to fund any MOE amounts.
 - d. Compare the amount of current year MOE expenditures to the MOE base requirement and add any excess to, or subtract any deficiency from, the carryover amount.
 - e. If the amount of discretionary funds spent is less than the MOE base requirement (MOE deficiency), determine the amount of any prior year MOE carryover using the information obtained from RCTC and reduce the MOE deficiency by any available MOE carryover to determine an adjusted current year expenditure amount.

G. Measure A Proposed Specialized Transit Agreed-Upon Procedures (Proposed)

1. Obtain specialized transit grant funding agreement from RCTC, including exhibit of budget submitted with funding application, matching requirements, and any budget modifications subsequently approved by RCTC.
 - a. Inquire of management as to the accounting and identification of Measure A funded programs.
 - b. Inquire of management as to whether the accounting of Measure A funds received by the Agency were accounted for separately or commingled with other programs and/or funding sources.
2. Obtain monthly reporting package for third, sixth, ninth, and last months of the annual reporting period and revenue and expense amounts for the fiscal year from the general ledger.
 - a. Recalculate totals on reporting packages.
 - b. Inquire of management as to the accomplishment of the applicable program goals and source of documentation for accomplishing program goals. Agree third, sixth, and ninth month reports provided by RCTC to source documents from Agency as to total passenger one-way trips made or number of people served.
 - c. Include a summary of revenues and expenses from the general ledger for the fiscal year compared to budgeted amounts (present in format of monthly reporting package) as an exhibit (Exhibit A).
 - d. For the exhibit summary of revenues and expenses, calculate variances of budgeted expense amounts compared to actual amounts in terms of dollars and percentages. For expense variances greater than 25%, inquire of management as to the existence of approval from RCTC. Determine if budgeted amounts per Exhibit A are consistent with the current Commission-approved budget.

- e. For the exhibit summary of revenues and expenses, calculate the variance of total budgeted expenses compared to actual total expenses in terms of dollars and percentage.
 - i. If the variance is greater than 20%, inquire of management why the actual total expenses were less than the budgeted total expenses.
 - f. List the total revenues and expenses from the final fiscal year reporting package ("Check Sum" tab) and calculate the difference between funding received and expenses/capital expenditures incurred as per Exhibit A. For any variances, inquire of management as to the nature of the changes in originally reported revenues and/or expenses.
3. Determine if funding agreement includes requirement for matching contributions. If agency was required to provide matching contributions, perform the following procedures:
- a. Review RCTC's policy on qualifying in-kind matching contributions.
 - b. Inquire of management how matching requirements per the funding agreement were satisfied (i.e., sources) and what the total dollar value was for cash match and for in-kind matching contributions. Indicate if cash and in-kind matching amounts were not met, met, or exceeded, as applicable.
 - i. If match was not met based on budget match requirement, compare actual Measure A revenues to budgeted Measure A revenues. If full amount of budgeted Measure A was not received, the minimum match requirement should also be reduced by a proportionate amount in order to determine the adjusted match requirement.
 - ii. If adjusted match requirement was not met, inquire of management as to explanation for shortfall in meeting adjusted match requirement.
 - c. If source of match was in-kind contributions, inquire of management as to the following:
 - i. If such contributions were made by a third party.
 - ii. If such third party contributions were related to property or services which benefited the project or program and which were contributed by third parties without charge to the grantee, or through a modified cost arrangement;
 - iii. If such contributions were necessary and reasonable for the efficient accomplishment of program objectives; and
 - iv. If using volunteer time, a tracking method existed to identify when donated services were provided.
 - d. For in-kind matching contributions presented on the third, sixth, and ninth month reporting packages, compare such contribution amounts to supporting documentation provided by the third party.
 - e. Inquire of management if any loans were obtained or lines of credit utilized to pay Measure A program expenses.
 - i. If such indebtedness was incurred, inquire of management as to the amount and if such amount is reflected in revenues as a cash match.
4. Obtain amount of Measure A funds disbursed to Agency from RCTC for specialized transit grant purposes for the fiscal year.

- a. Agree amount from RCTC to amount recorded by the agency.
- 5. Obtain a summary of expenses (Personnel, Operating, Capital) by major line item incurred by the Agency related to the specialized transit grant; include summary as an exhibit (Exhibit A) to the report.
 - a. Inquire of management how Measure A expenses are recorded (i.e., direct costs, allocations, or indirect costs).
 - b. Inquire of management as to the existence of any unreported expenses related to the Measure A specialized transit program provided by the Agency. If amounts are not reported, obtain a summary of such amounts and inquire of management as to why such amounts are not reported.
 - c. Select one pay period from personnel expenses for testing.
 - d. Select operating expenses for testing that comprise at least 20% of the total expenses.
 - e. Select all capital expenditures for testing.
 - f. For the expenses/capital expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation. Additionally, for personnel expenses, agree hours charged to Measure A specialized transit activities to approved timesheet or other documentation.
 - g. For the expenses/capital expenditures selected for testing, compare the type of expense to the allowable costs included in the funding agreement.
 - h. Compare the summary of expenses/capital expenditures by major line item to the budget included in the funding agreement and note any variances.
 - i. Inquire of management as to the amount of indirect or overhead costs, if any, included in expenses and compare amount to the budget included in the funding agreement.
- 6. Inquire of management as to the existence of any temporarily restricted net assets or deferred revenues as of the end of the fiscal year related to the Measure A funded program.
 - a. Obtain a copy of approval letter from RCTC, if applicable, for the carryover of such balances.
 - b. If temporarily restricted net assets or deferred revenues exist as of the end of the fiscal year, inquire of management as to source of funds responsible for generating such balances.
- 7. Review the prior year's report and note the existence of any temporarily restricted net assets or deferred revenues as of the end of the prior fiscal year; inquire of management if such amount was used to reduce the current fiscal year disbursements of Measure A to the Agency.
- 8. Inquire of management as to the rating of the Agency's insurer for commercial general liability insurance, business automobile liability insurance, and worker's compensation insurance.

H. MSHCP Member Agency Agreed-Upon Procedures (Proposed, subject to change due to requirement to adopt new ordinance and resolution)

1. Obtain any updates to the Member Agency's ordinance for collection of the MSHCP fees.
2. Upon obtaining the updates, determine if the ordinance is in accordance with the MSHCP Implementing Agreement and Joint Powers Agreement.
3. Determine if fees on the building permits are collected in accordance with the Member Agency ordinance.
4. Obtain the schedule of fees collected on MSHCP building permits for the year ended June 30, 202X.
5. Obtain a listing of building permits issued during the year ended June 30, 202X. Identify the new construction and commercial/industrial permits. Select for testing 10% of new construction and commercial/industrial building permits, selecting no less than 25 permits or 100% of permits if total permits for new construction and commercial/industrial is less than 25.
6. Recalculate the fees collected by the Member Agency on building permits to determine if they are correct and if the correct amounts have been remitted to the RCA. If fees are incorrect, determine the fees that should have been collected and remitted.
7. Determine if fees collected on building permits were remitted to the RCA within 90 days of the earlier of the date they were collected or should have been collected.
8. Determine additional amounts, if any, which should be returned to the Member Agency for building permits.
9. If amounts are due to the RCA on building permits, calculate interest owed, based on the RCA's Resolution No. 07-04 adopted on September 10, 2007, using the interest rate paid by Riverside County (County) Treasury on amounts held by the County.
10. Obtain a list of all construction (civic and infrastructure) contracts awarded by the Member Agency during the fiscal year. Select a sample of 10% of the contracts for testing, selecting no less than three contracts, or 100% of contracts if the total number of contracts is less than three.
11. Compute the amount of MSHCP fees on the civic and infrastructure contracts that should have been remitted.
12. Determine if the MSHCP fees on the civic and infrastructure contracts were remitted to the RCA within 90 days of contract award.
13. Determine additional amounts on civic and infrastructure contracts, if any, which should be remitted to the RCA or returned to the Member Agency.
14. If additional amounts are due to the RCA on civic and infrastructure contracts, calculate interest owed, using the interest rate paid County Treasury on amounts held by the County.

I. Measure A Recipient Conformance Requirements

1. **Allowable Costs.** Measure A funds may only be used for transportation purposes including the administration of Division 25 including legal actions related thereto; the construction, capital acquisition, maintenance, and operation of streets, roads, highways including state highways and public transit systems; and for related purposes. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

- a. Eligible local street and road projects costs include any engineering, capital, or maintenance cost. Decisions on projects are to be made by *local jurisdictions* subject to Capital Improvement Program requirements.
 - i. Annual budget reflecting the local government or agency's anticipated receipts and expenditures should be prepared and submitted to *RCTC upon approval* by the governing board. The data contained in the capital improvement plans submitted to RCTC should be included in the recipient's budgets. These budgets allow for proper evaluation by RCTC of the recipient's activities on an annual basis. (Policy adopted May 8, 1991)
 - b. Eligible transit programs include special discount fares for seniors and handicapped people, commuter bus services, funding for computer assisted rideshare programs, and "seed" programs to encourage the creation of vanpools. Additionally, funds will be used to provide further reductions for the truly needy and to expand existing services and implement new services. Bus capital replacement and additional bus service may also be an eligible program within the Coachella Valley, subject to a determination of funding by the Coachella Valley Association of Governments (CVAG).
2. **Maintenance of Effort (MOE).** Additional funds provided under Measure A are intended to supplement existing local revenues being used for transportation purposes. Government agencies shall maintain their existing commitment of local funds for street highway and public transit purposes pursuant to Measure A.
- a. The local cities and the County shall annually submit to RCTC a list of the proposed uses for these funds and a certification that the MOE requirement is being met. If in any fiscal year, the maintenance of effort requirement is not met, the agency shall not be eligible for any Measure A funds in the following fiscal year. Such funds shall be distributed to the remaining local governments using the formula for the area.
 - i. Agencies may use any local discretionary funds expended for local streets and roads purposes during previous fiscal years which were in excess of their maintenance of effort requirements to meet their MOE requirements for the fiscal year. (Measure A Maintenance of Effort Guidelines)
 - b. RCTC shall assure the cities' and County compliance with MOE funding requirements before allocating funds for local streets and roads.
 - c. RCTC shall not allocate funds to an individual city or the County for local streets and roads use within the Western County and Coachella Valley areas unless WRCOG or CVAG indicates participation of agency in the Transportation Uniform Mitigation Fee program necessary for implementation of the planned regional arterial system.
3. **Allocation of Funds to Geographic Areas.** Funds for transportation purposes shall be allocated to the Western County, Coachella Valley, and Palo Verde Valley areas proportionate to the Measure A funds generated within these areas.
4. **Allocation of Funds within Geographic Areas.** RCTC shall return 2009 Measure A funds to the geographic areas as follows (*Applicable to RCTC*):

- a. **Western County.** To be distributed for the following programs: \$370 million (approx. 11% to new corridors; \$1,020 million (approx. 30%) to highways; \$390 million (approx. 12%) to public transit; \$300 million (approx. 9%) to regional arterials; \$970 million (approx. 29%) to local streets and roads; \$270 million (approx. 8%) to bond financing; and \$40 million (approx. 1%) to economic development.
 - i. Local streets and roads funding are to be distributed by a formula based on 75% on proportionate population and 25% on 2009 Measure A revenues generated within each jurisdiction, if they participate in the Transportation Uniform Mitigation Fee program and Multi-Species Habitat Conservation Plan. If local agencies choose not to participate in the TUMF and MSHCP programs, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by RCTC.
 - b. **Coachella Valley.** To be distributed for the following programs: 50% to highways and regional arterial projects; 35% to local streets and roads; and 15% to specialized public transit.
 - i. Local streets and roads funds will be provided to Coachella Valley cities and the County if they participate in the Transportation Uniform Mitigation Fee program. If local agencies choose not to participate in the TUMF program, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by CVAG.
 - ii. Local streets and roads funds are to be distributed by a formula based on 50% on proportionate dwelling units and 50% on 2009 Measure A revenues generated within each jurisdiction, as interpreted in Ordinance and direction provided by CVAG.
 - c. **Palo Verde Valley.** To be distributed 100% to local streets and roads.
 - i. Local streets and roads funds are to be distributed by a formula based on 75% on proportionate population and 25% on sales tax revenues generated in each jurisdiction.
5. **Accounting Records.** Measure A recipients are required to maintain accurate, complete, and separate accounting records for all sources of the funds they receive. Small not-for-profit agencies are encouraged but not required to maintain separate accounting records as long as Measure A receipts, related revenues, and expenditures can be readily identified. If RCTC's independent auditors are unable to readily identify which funds are being used for expenditures, then the agency will be required to maintain separate accounting records and cash accounts if they are to continue receiving Measure A allocations. Any agency which maintains poor accounting records will receive funding allocations on a reimbursement basis only. (Policy adopted May 12, 1993)
6. **Interfund Borrowing.** Interfund borrowing from Measure A funding sources to another local jurisdiction fund is strictly prohibited. Cities and agencies must maintain sufficient cash balances so as not to impair their Measure A funds. Evidence of interfund borrowing or impaired cash balances will result in the city or agency receiving

funds from RCTC on a reimbursement basis only after any existing city or agency reserves of prior Commission funds have been fully depleted. (Policy adopted May 12, 1993)

7. **Interest Income Allocations.** Interest on Measure A funds shall accrue separately for all of RCTC's programs as defined in the text of Measure A. This interest allocation policy is applicable to the entire County, and such allocations shall be made monthly. Interest earned on unexpended Measure A monies should be recorded in the Measure A fund established by a local government or other agency receiving local streets and roads or specialized transit monies. As these funds are restricted, the related interest earned should be restricted as required by governmental regulations and other transportation funding including the Transportation Act. (Policy adopted May 8, 1991 and May 12, 1993)
8. **Accumulated Deficits.** Accumulated funding source deficits are the responsibility of the local jurisdiction. RCTC will consider allocating additional funds for such deficits when justifiable on a case-by-case basis. (Policy adopted May 12, 1993)
9. **Budget Variances.** Significant budget variances should be avoided. All local jurisdictions are required to compare the budget to actual results and make mid-year revisions as needed. (Policy adopted May 12, 1993)
10. **Unexpended Monies.** Whenever the annual fiscal audit or the proposed update of the Five Year Capital Improvement Program of a local agency shows a Measure A Local Streets and Road Program carryover balance in excess of *three (3) times the annual allocation* to an agency, Commission staff will:
 - a. Meet with the local agency to have them explain the reason for the carryover and explore alternatives for moving projects faster, and
 - b. Present a report of their findings to RCTC's Budget and Finance Committee to determine if any further action should be considered and proposed to the full Commission.(Policy included in December 13, 1995 revisions to the RCTC Program and Funding Guide)

J. Transit Compliance Requirements

The auditors should review the TDA regulations for Local Transportation Fund and State Transit Assistance funding. California Code Section 6664 discusses the fiscal and compliance audits of all claimants, Section 6666 provides the compliance audit tasks for non-transit claimants, and Section 6667 provides the compliance audit tasks for transit claimants. The TDA Statutes and California Code of Regulation Guidebook is available at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-a11y.pdf>.

California Department of Transportation program guidelines for State of Good Repair funds received through RCTC are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/sgr/202008-sgr-final-guidelines-a11y.pdf>

Proposition 1B accountability requirements for Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/ptmisea/201910-ptmisea-guidelines-a11y.pdf>

Proposition 1B guidelines for Transit System Safety, Security, and Disaster Response Account (TSSSDRA) funds received through CalOES are located at:

[https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA guidelines](https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA%20guidelines)

LCTOP program guidelines for funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/lctop/201909-lctop-fy19-20-guidelines-a11y.pdf>

K. MSCHP Compliance Requirements

The auditors should review the MSHCP Member Agency requirements in various implementation documents which are available at:

MSHCP Implementation Agreement Ordinance (for current procedures, see model ordinance beginning on page 347 of link)

https://www.wrc-rca.org/Permit_Docs/MSHCP/MSHCP-Volume3.pdf

MSHCP Implementation Manual (effective for FY 2021/22 agreed-upon procedures)

https://www.wrc-rca.org/Permit_Docs/MSHCP/MSHCP%20Mitigation%20Fee%20Implementation%20Manual%20Final.pdf

End of Statement of Services

EXHIBIT "B"

COMPENSATION

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

EXHIBIT "B"

COMPENSATION SUMMARY¹

(Amounts subject to rounding differences)

FIRM	PROJECT TASKS/ROLE	COST
Prime Consultant:		
Eide Bailly ²	Audit and Attestation Services	\$ 424,977
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 424,977

TASK NUMBER	TASK DESCRIPTION	COST
TDA Article 3/Bicycle and Pedestrian ²	Audit Services	\$ 23,330
TDA Article 4/Transit	Audit Services	131,790
Measure A Local Streets and Roads	Agreed-Upon Procedures Attestation Services	152,634
Measure A Specialized Transit ²	Agreed-Upon Procedures Attestation Services	-
MSHCP Member Agencies	Agreed-Upon Procedures Attestation Services	117,222
SUBTOTAL		424,977
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 424,977

FISCAL YEAR	PROJECT	COST
FY 2020/21 ²	Audit and Attestation Services	\$ 69,107
FY 2021/22 ²	Audit and Attestation Services	69,107
FY 2022/23 ²	Audit and Attestation Services	69,107
FY 2023/24 (Option Year 1) ²	Audit and Attestation Services	70,912
FY 2024/25 (Option Year 2) ²	Audit and Attestation Services	72,556
FY 2025/26 (Option Year 3) ²	Audit and Attestation Services	74,189
SUBTOTAL		424,977
TOTAL COSTS		\$ 424,977

¹ Commission authorization pertains to total contract award amount. Compensation adjustments between consultants may occur; however, the maximum total compensation authorized may not be exceeded.

² TDA Article 3/Bicycle and Pedestrian audits and Measure A Specialized Transit agreed-upon procedures will be determined annually based on TDA claimants and Measure A disbursements; accordingly, amounts are estimated. This estimate assumes four (4) annual TDA Article 3/Bicycle and Pedestrian audits and zero (0) Measure A Specialized Transit attestation services.

Agreement No. 21-19-056-00

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
 FOR THE EASTERN RIVERSIDE COUNTY
 MEASURE A RECIPIENTS AND
 TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
 OF THE
 RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 2021, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and BROWN ARMSTRONG ACCOUNTANCY CORPORATION ("Consultant"), a CORPORATION.

2. RECITALS.

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing audit services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain audit and attestation services for the Commission ("Project") as set forth herein.

3. TERMS.

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to June 30, 2024, unless earlier terminated as provided herein. The Commission, at its sole discretion, may extend this Agreement for three (3) additional single year terms through June 30, 2027. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Audit Schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Audit Schedule.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key personnel for performance of this Agreement are as follows: Eric H. Xin, Thomas M. Young, Melissa L. Cabezzas, Ken Gill, Alex Medina, and Lorena Matias.

3.7 Commission's Representative. Commission hereby designates the Chief Financial Officer, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant's Representative. Consultant hereby designates Eric H. Xin, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the

indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as

designated in the policy must specifically include work performed under this Agreement. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer's duty to defend.

3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily injury and property damage; (2) personal Injury/Advertising injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from the Commission’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant’s scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability

Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage

required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto. The total compensation shall not exceed Thirty-Eight Thousand Four Hundred Dollars (\$38,400) without written approval of Commission's Executive Director ("Total Compensation"). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a monthly statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and

pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:

Brown Armstrong Accountancy Corp.
4200 Truxtun Avenue
Suite 300
Bakersfield, CA 93309
Attn: Eric H. Xin

COMMISSION:

Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

All programs, working papers, files and other materials of the Consultant made pursuant to this Agreement shall remain the property of the Consultant. The Commission will have access to this material at any time. All reports delivered by the Consultant and its subcontractors pursuant to the Agreement shall become the property of the Commission without restriction or limitation on their use and shall be made available upon request, to the Commission at any time. Original copies of the deliverable reports shall be delivered to the Commission upon completion of the Services or termination of the Services. The Consultant shall be permitted to retain copies of such items for the

furtherance of its technical proficiency; however, publication of this material is subject to the written approval of the Commission.

3.18.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.18.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the

performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, agents, consultants, employees and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of the Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation, the payment of all consequential damages, attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Commission, its directors, officials, officers, agents, consultants, employees and volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the Commission or its directors, officials, officers, agents, consultants, employees and volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse the Commission and its directors, officials, officers, agents, consultants, employees and volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnity shall not be restricted to insurance proceeds, if any, received by the Commission or its directors, officials, officers, agents, consultants, employees and

volunteers. This Section 3.21 shall survive any expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 Reserved.

3.31 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

3.32 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.33 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required

or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

3.34 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.35 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.36 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.37 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.38 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.39 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.40 Invalidity, Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.41 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.42 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.43 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.44 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT

**SIGNATURE PAGE
TO
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE EASTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

**BROWN ARMSTRONG
ACCOUNTANCY CORPORATION**

By: _____
Anne Mayer
Executive Director

By: _____
Signature

Name

Title

Approved as to Form:

Attest:

By: _____
Best Best & Krieger LLP
General Counsel

By: _____
Its: Secretary

EXHIBIT "A"

SCOPE OF SERVICES

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

Statement of Services

A. General

The Riverside County Transportation Commission (RCTC), as the transportation planning agency for Riverside County, is issuing this Request for Proposal in order to secure services from a Consultant of certified public accountants to perform for the fiscal years ending June 30, 2021, 2022, and 2023, with the option of performing such services for three (3) additional one-year terms:

- Financial and compliance audits of RCTC's Transportation Development Act (TDA) claimants for transit (including funding from Local Transportation Fund (LTF) Article 4, State Transit Assistance (STA), State of Good Repair (SGR), Low Carbon Transit Operations Program (LCTOP), and Proposition 1B);
- Financial and compliance audits of RCTC's TDA claimants for bicycle and pedestrian projects (consisting of funding from LTF Article 3); and
- Agreed-upon procedures similar to those proposed in Appendix A, Section G, for RCTC's Measure A recipients of local streets and roads (LSR) funding.

Measure A Agreed Upon Procedures

The **Measure A LSR Agreed-Up Upon Procedures** apply to all eligible cities in Riverside County. Measure A LSR funding is allocated and disbursed monthly to the cities, as specified in Measure A. RCTC does not currently anticipate any incorporations or dis-incorporations of cities that would result in a change in Measure A LSR recipients. Currently, all cities meet the eligibility requirements that include:

- Participation in the Coachella Valley Transportation Uniform Mitigation Fee (TUMF) Program, as applicable;
- Annual submittal of a 5-Year Capital Improvement Plan (CIP) list of projects;
- Annual Maintenance of Effort certification; and
- Annual Project Status Report for the prior fiscal year CIP.

Transportation Development Act Audits

The **TDA Transit audits** will be performed for the Palo Verde Valley Transit Agency. TDA Transit operating and capital allocations are approved annually by RCTC in June based on the submittal of each transit operator's Short-Range Transit Plan. The transit operators also may unexpended Proposition 1B funding for capital/rehabilitation and/or security projects received through Caltrans and the California Office of Emergency Services (CalOES), respectively.

The **TDA Bicycle and Pedestrian audits** apply to local jurisdictions awarded funding by RCTC for bicycle and pedestrian projects through a biennial competitive call for projects. Local jurisdictions generally have two years to complete projects, including those projects approved in the FY 2019/20 Call for Projects at RCTC's June 12, 2019 meeting. However, as per revised

guidelines approved by RCTC at its January 13, 2021 meeting effective with the FY 2021/22 Call for Projects to be awarded at the June 9, 2021 RCTC meeting, local jurisdictions will now have three years to complete projects. Claimants may request disbursement of their allocations by RCTC on a reimbursement basis in accordance with RCTC's policies. Accordingly, the TDA Bicycle and Pedestrian audits are dependent on claims for expenditures of such funds.

Anticipated Changes in Audit and Attestation Services

RCTC does not anticipate any change in the local jurisdictions subject to TDA Transit audit and Measure A LSR attestation services. The local jurisdictions requiring TDA Bicycle and Pedestrian audits will be determined each year based on actual disbursements.

The Chief Financial Officer is designated as the coordinator of the work and may appoint a Finance Department staff to coordinate day-to-day oversight. The Chief Financial Officer will serve as the liaison to the audit oversight committee designated by RCTC.

The audits are to be performed by the Consultant(s) in accordance with generally accepted auditing standards, including use of the most current version of each of the following standards and guidelines:

- American Institute of Certified Public Accountants audit and attestation standards;
- General Accounting Office's (GAO) *Government Auditing Standards*;
- Measure A conformance requirements (Section G); and
- Transit requirements (Section H).

B. Scope of Work to be Performed

The selected Consultant(s) will be required to perform the following tasks:

- Audit of the transit and transportation financial statements of the jurisdictions receiving TDA funds in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the TDA as summarized in the TDA Guidebook; and SGR, LCTOP, and Proposition 1B audit guidelines specified by Caltrans and CalOES.
- Performance of agreed-upon procedures similar to those listed in Section F solely to assist RCTC in evaluating the applicable jurisdictions' Measure A transportation funds and degree of their compliance with RCTC's requirements of the Measure A LSR program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A LSR program.

C. Deliverables

Following completion of the audits and agreed-upon procedures and a review of the draft reports by RCTC, the Consultant(s) shall issue:

- A report on the fair presentation of the financial statements for the TDA claimants in conformity with generally accepted accounting principles and on compliance and internal control.
- A report on the agreed-upon procedures related to the Measure A recipients of LSR funding.

Drafts of the reports will be provided to RCTC staff and the applicable TDA claimant or Measure A recipient. The Chief Financial Officer or designee shall review and approve each report prior to issuance.

For each report issued to RCTC, the Consultant shall issue one PDF copy to RCTC and one PDF to the applicable TDA claimant or Measure A recipient, as applicable.

Financial and Compliance Reports

The Consultant will submit a financial and compliance report for each TDA audit. The Consultant will be responsible for the preparation, editing, and printing of all financial and compliance reports, including the financial statements and notes to the financial statements. Although the Consultant will prepare the financial statements, management of the TDA Claimant is responsible for the financial statements.

Agreed-Upon Procedures

The Consultant will submit a report for each Measure A recipient, as applicable, listing the procedures performed, results of procedures performed, and findings, if any. The Consultant will be responsible for preparation, editing, and printing of all agreed-upon procedure reports.

D. Required Communications

Significant Deficiencies – In the required reports on compliance and internal controls, the Consultant shall communicate any significant deficiencies found during the audit of the TDA claimants. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Significant deficiencies that are also material weaknesses shall be identified as such in the report. Other control deficiencies discovered by the Consultant may be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance may be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts – The Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indication of illegal acts of which they become aware to the jurisdiction/agency and RCTC's audit oversight committee, Executive Director, and Chief Financial Officer.

Planning meetings – The Consultant shall meet with RCTC staff at least once a year prior to the commencement of the audits and agreed-upon procedures.

E. Audit Schedule

The work to be performed at the jurisdictions and agencies shall be arranged by the Consultant with the individual jurisdiction or agency after the conclusion of a planning meeting with RCTC and RCTC's issuance of audit notification letters to each jurisdiction and agency.

The work should be scheduled for no later than November 15 of each year. Barring unforeseen circumstances, the Consultant must conduct the work activities and provide all required reports and information to RCTC no later than December 31 of each year. The TDA audits are required to be submitted to the State Controller by December 31 of each year; however, an extension may be granted by RCTC for no more than 90 days. RCTC's policy for Measure A reports follows the TDA requirement; however, a formal extension is generally not issued.

The Consultant shall keep RCTC apprised at least monthly on the status of the audits and any issues which have been encountered. RCTC will provide assistance, to the extent necessary and/or possible, to resolve such issues. If circumstances outside the control of the Consultant or RCTC arise and the deadline cannot be met, both parties agree to communicate the circumstances and develop an action plan.

F. Measure A Proposed Local Streets and Roads Agreed-Upon Procedures (Proposed)

1. Review the 2009 Measure A (Ordinance 02-001) compliance requirements. Western County jurisdictions are required to participate in the Transportation Uniform Mitigation Fee (TUMF) program and in the Multi-Species Habitat Conservation Plan (MSHCP), which are administered by the Western Riverside Council of Governments (WRCOG) and the Western Riverside County Regional Conservation Authority (RCA), respectively. Coachella Valley jurisdictions are required to participate in the TUMF program administered by the Coachella Valley Association of Governments (CVAG). Indicate participation in TUMF and/or MSHCP programs.
2. Obtain from RCTC the approved Five-Year Capital Improvement Plan (CIP) for the fiscal year.
3. Obtain from the jurisdiction a detail general ledger and balance sheet for the fiscal year.

- a. Identify the amount of Measure A cash and investments recorded at the end of the fiscal year. Compare amount to Measure A fund balance and provide an explanation for any differences greater than 25% of fund balance.
 - b. Identify any amounts due from other funds.
 - c. Identify the components of ending fund balance for the Measure A activity (e.g., nonspendable, restricted, assigned, committed, unassigned) [and for County of Riverside only by geographic area].
 - i. Identify the existence of any restatement of Measure A fund balance; inquire of management as to the reason for any restatement and provide a summary of the restatement items.
 - ii. Compare ending fund balance to total revenues for the current year and prior two years. If ending fund balance is greater than sum of total revenues for the three-year period, inquire of management as to the reason(s) for the accumulation of fund balance (e.g., status of specific projects included in the 5-Year CIP).
4. Obtain an operating statement for the Measure A activity for the fiscal year, including budget amounts; include the operating statement as an exhibit to the report.
- a. Review the revenues in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A revenues received from RCTC and identify what the total revenues were for the fiscal year.
 - ii. Obtain from RCTC a listing of Measure A payments to the jurisdiction.
 - 1. Compare the Measure A sales tax revenues recorded by the jurisdiction to the listing of payments made by RCTC. [Use gross amounts paid by RCTC]
 - iii. Obtain from the jurisdiction an interest allocation schedule for the fiscal year.
 - 1. Identify the allocation amount of interest income to Measure A activity and what the amount of interest income was for the fiscal year. If no interest was allocated, inquire of management as to reason for not allocating interest income.
 - b. Review the expenditures in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A expenditures and what the total expenditures were for the fiscal year.
 - ii. Select expenditures for testing that comprise at least 20% of the total expenditures.
 - 1. For the expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation.
 - 2. For the expenditures selected for testing, review the 5-Year CIP and note if the project is included in the 5-Year CIP and is an allowable cost.
 - iii. Inquire of management as to the nature of any transfers in or out recorded in the Measure A fund. For any transfers out, determine if nature of transfer out was included in the 5-Year CIP.
 - iv. Inquire of management as to the amount of general or non-project-related indirect costs, if any, included in expenditures. If indirect costs exceed 8% of Measure A revenue, inquire of management as to the basis for indirect costs

- charged to Measure A. If indirect costs are identified, determine if such costs are included in the 5-Year CIP.
- v. Inquire of management as to the amount of debt service expenditures recorded in the Measure A fund and determine if such costs are included in the 5-Year CIP.
5. Obtain from RCTC a listing of jurisdictions who participate in the Western County or Coachella Valley TUMF programs.
 - a. If the jurisdiction is a participant in the TUMF program, select at least one disbursement for validation as to the amount remitted to WRCOG or CVAG, as applicable.
 - b. Indicate the total amount of TUMF fees collected and remitted during the fiscal year.
 6. Obtain from RCTC a listing of jurisdictions who participate in the Western County MSHCP program.
 - a. If the jurisdiction is a participant in the MSHCP program, select at least one disbursement for validation as to the amount remitted to RCA, as applicable.
 - b. Inquire of management as to the existence of any fees collected in prior years and not remitted to RCA as of the end of the fiscal year.
 - c. Indicate the total amount of MSHCP fees collected and remitted during the fiscal year.
 7. Obtain from RCTC the MOE base year requirement, including supporting detail of the calculations for its city/County, and the carryover amount allowed as of the beginning of the fiscal year.
 - a. Obtain from the city/County a calculation of its current year MOE amount in the format similar to its base year calculation. Attach a copy of the calculation worksheet provided by the city/County as an exhibit to the report.
 - b. Compare the current year MOE amounts from the General Fund to the general ledger.
 - c. Review the General Fund general ledger to determine if there were any transfers in to fund any MOE amounts.
 - d. Compare the amount of current year MOE expenditures to the MOE base requirement and add any excess to, or subtract any deficiency from, the carryover amount.
 - e. If the amount of discretionary funds spent is less than the MOE base requirement (MOE deficiency), determine the amount of any prior year MOE carryover using the information obtained from RCTC and reduce the MOE deficiency by any available MOE carryover to determine an adjusted current year expenditure amount.

G. Measure A Recipient Conformance Requirements

1. **Allowable Costs.** Measure A funds may only be used for transportation purposes including the administration of Division 25 including legal actions related thereto; the construction, capital acquisition, maintenance, and operation of streets, roads,

highways including state highways and public transit systems; and for related purposes. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

- a. Eligible local street and road projects costs include any engineering, capital, or maintenance cost. Decisions on projects are to be made by *local jurisdictions* subject to Capital Improvement Program requirements.
 - i. Annual budget reflecting the local government or agency's anticipated receipts and expenditures should be prepared and submitted to RCTC *upon approval* by the governing board. The data contained in the capital improvement plans submitted to RCTC should be included in the recipient's budgets. These budgets allow for proper evaluation by RCTC of the recipient's activities on an annual basis. (Policy adopted May 8, 1991)
- b. Eligible transit programs include special discount fares for seniors and handicapped people, commuter bus services, funding for computer assisted rideshare programs, and "seed" programs to encourage the creation of vanpools. Additionally, funds will be used to provide further reductions for the truly needy and to expand existing services and implement new services. Bus capital replacement and additional bus service may also be an eligible program within the Coachella Valley, subject to a determination of funding by the Coachella Valley Association of Governments (CVAG).

2. **Maintenance of Effort (MOE).** Additional funds provided under Measure A are intended to supplement existing local revenues being used for transportation purposes. Government agencies shall maintain their existing commitment of local funds for street highway and public transit purposes pursuant to Measure A.

- a. The local cities and the County shall annually submit to RCTC a list of the proposed uses for these funds and a certification that the MOE requirement is being met. If in any fiscal year, the maintenance of effort requirement is not met, the agency shall not be eligible for any Measure A funds in the following fiscal year. Such funds shall be distributed to the remaining local governments using the formula for the area.
 - i. Agencies may use any local discretionary funds expended for local streets and roads purposes during previous fiscal years which were in excess of their maintenance of effort requirements to meet their MOE requirements for the fiscal year. (Measure A Maintenance of Effort Guidelines)
- b. RCTC shall assure the cities' and County compliance with MOE funding requirements before allocating funds for local streets and roads.
- c. RCTC shall not allocate funds to an individual city or the County for local streets and roads use within the Western County and Coachella Valley areas unless WRCOG or CVAG indicates participation of agency in the Transportation Uniform Mitigation Fee program necessary for implementation of the planned regional arterial system.

3. **Allocation of Funds to Geographic Areas.** Funds for transportation purposes shall be allocated to the Western County, Coachella Valley, and Palo Verde Valley areas proportionate to the Measure A funds generated within these areas.

4. **Allocation of Funds within Geographic Areas.** RCTC shall return 2009 Measure A funds to the geographic areas as follows (*Applicable to RCTC*):
- a. **Western County.** To be distributed for the following programs: \$370 million (approx. 11% to new corridors; \$1,020 million (approx. 30%) to highways; \$390 million (approx. 12%) to public transit; \$300 million (approx. 9%) to regional arterials; \$970 million (approx. 29%) to local streets and roads; \$270 million (approx. 8%) to bond financing; and \$40 million (approx. 1%) to economic development.
 - i. Local streets and roads funding are to be distributed by a formula based on 75% on proportionate population and 25% on 2009 Measure A revenues generated within each jurisdiction, if they participate in the Transportation Uniform Mitigation Fee program and Multi-Species Habitat Conservation Plan. If local agencies choose not to participate in the TUMF and MSHCP programs, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by RCTC.
 - b. **Coachella Valley.** To be distributed for the following programs: 50% to highways and regional arterial projects; 35% to local streets and roads; and 15% to specialized public transit.
 - i. Local streets and roads funds will be provided to Coachella Valley cities and the County if they participate in the Transportation Uniform Mitigation Fee program. If local agencies choose not to participate in the TUMF program, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by CVAG.
 - ii. Local streets and roads funds are to be distributed by a formula based on 50% on proportionate dwelling units and 50% on 2009 Measure A revenues generated within each jurisdiction, as interpreted in Ordinance and direction provided by CVAG.
 - c. **Palo Verde Valley.** To be distributed 100% to local streets and roads.
 - i. Local streets and roads funds are to be distributed by a formula based on 75% on proportionate population and 25% on sales tax revenues generated in each jurisdiction.
5. **Accounting Records.** Measure A recipients are required to maintain accurate, complete, and separate accounting records for all sources of the funds they receive. Small not-for-profit agencies are encouraged but not required to maintain separate accounting records as long as Measure A receipts, related revenues, and expenditures can be readily identified. If RCTC's independent auditors are unable to readily identify which funds are being used for expenditures, then the agency will be required to maintain separate accounting records and cash accounts if they are to continue receiving Measure A allocations. Any agency which maintains poor accounting records will receive funding allocations on a reimbursement basis only. (Policy adopted May 12, 1993)
6. **Interfund Borrowing.** Interfund borrowing from Measure A funding sources to another local jurisdiction fund is strictly prohibited. Cities and agencies must maintain

- sufficient cash balances so as not to impair their Measure A funds. Evidence of interfund borrowing or impaired cash balances will result in the city or agency receiving funds from RCTC on a reimbursement basis only after any existing city or agency reserves of prior Commission funds have been fully depleted. (Policy adopted May 12, 1993)
7. **Interest Income Allocations.** Interest on Measure A funds shall accrue separately for all of RCTC's programs as defined in the text of Measure A. This interest allocation policy is applicable to the entire County, and such allocations shall be made monthly. Interest earned on unexpended Measure A monies should be recorded in the Measure A fund established by a local government or other agency receiving local streets and roads or specialized transit monies. As these funds are restricted, the related interest earned should be restricted as required by governmental regulations and other transportation funding including the Transportation Act. (Policy adopted May 8, 1991 and May 12, 1993)
 8. **Accumulated Deficits.** Accumulated funding source deficits are the responsibility of the local jurisdiction. RCTC will consider allocating additional funds for such deficits when justifiable on a case-by-case basis. (Policy adopted May 12, 1993)
 9. **Budget Variances.** Significant budget variances should be avoided. All local jurisdictions are required to compare the budget to actual results and make mid-year revisions as needed. (Policy adopted May 12, 1993)
 10. **Unexpended Monies.** Whenever the annual fiscal audit or the proposed update of the Five Year Capital Improvement Program of a local agency shows a Measure A Local Streets and Road Program carryover balance in excess of *three (3) times the annual allocation* to an agency, Commission staff will:
 - a. Meet with the local agency to have them explain the reason for the carryover and explore alternatives for moving projects faster, and
 - b. Present a report of their findings to RCTC's Budget and Finance Committee to determine if any further action should be considered and proposed to the full Commission.(Policy included in December 13, 1995 revisions to the RCTC Program and Funding Guide)

H. Transit Compliance Requirements

The auditors should review the TDA regulations for Local Transportation Fund and State Transit Assistance funding. California Code Section 6664 discusses the fiscal and compliance audits of all claimants, Section 6666 provides the compliance audit tasks for non-transit claimants, and Section 6667 provides the compliance audit tasks for transit claimants. The TDA Statutes and California Code of Regulation Guidebook is available at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-a11y.pdf>.

California Department of Transportation program guidelines for State of Good Repair funds received through RCTC are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/sgr/202008-sgr-final-guidelines-a11y.pdf>

Proposition 1B accountability requirements for Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/ptmisea/201910-ptmisea-guidelines-a11y.pdf>

Proposition 1B guidelines for Transit System Safety, Security, and Disaster Response Account (TSSSDRA) funds received through CalOES are located at:

[https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA guidelines](https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA%20guidelines)

LCTOP program guidelines for funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/lctop/201909-lctop-fy19-20-guidelines-a11y.pdf>

End of Statement of Services

EXHIBIT "B"

COMPENSATION

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

EXHIBIT "B"

COMPENSATION SUMMARY¹

(Amounts subject to rounding differences)

FIRM	PROJECT TASKS/ROLE	COST
Prime Consultant:		
Brown Armstrong Accountancy Corporation ²	Audit and Attestation Services	\$ 38,400
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 38,400

TASK NUMBER	TASK DESCRIPTION	COST
TDA Article 3/Bicycle and Pedestrian ²	Audit Services	\$ -
TDA Article 4/Transit	Audit Services	-
Measure A Local Streets and Roads	Agreed-Upon Procedures Attestation Services	38,400
SUBTOTAL		38,400
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 38,400

FISCAL YEAR	PROJECT	COST
FY 2020/21 ²	Audit and Attestation Services	\$ 6,400
FY 2021/22 ²	Audit and Attestation Services	6,400
FY 2022/23 ²	Audit and Attestation Services	6,400
FY 2023/24 (Option Year 1) ²	Audit and Attestation Services	6,400
FY 2024/25 (Option Year 2) ²	Audit and Attestation Services	6,400
FY 2025/26 (Option Year 3) ²	Audit and Attestation Services	6,400
SUBTOTAL		38,400
TOTAL COSTS		\$ 38,400

¹ Commission authorization pertains to total contract award amount. Compensation adjustments between consultants may occur; however, the maximum total compensation authorized may not be exceeded.

² TDA Article 3/Bicycle and Pedestrian audits will be determined annually based on TDA claimants; accordingly, amounts are estimated. This estimate assumes zero (0) annual TDA Article 3/Bicycle and Pedestrian audits.

Agreement No. 21-19-057-00

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE EASTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
WITH CONRAD LLP**

1. PARTIES AND DATE.

This Agreement is made and entered into this ___ day of _____, 2021, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and CONRAD LLP ("Consultant"), a Limited Liability Partnership.

2. RECITALS.

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing audit services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain audit and attestation services for the Commission ("Project") as set forth herein.

3. TERMS.

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to June 30, 2024, unless earlier terminated as provided herein. The Commission, at its sole discretion, may extend this Agreement for three (3) additional single year terms through June 30, 2027. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Audit Schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Audit Schedule.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key personnel for performance of this Agreement are as follows: Andrea Jayasekara, Sam Parera, Mariana Beuchat, Cameron Gelinas, and Sage Mohan.

3.7 Commission's Representative. Commission hereby designates the Chief Financial Officer, or his or her designee, to act as its representative for the performance of this Agreement ("Commission's Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant's Representative. Consultant hereby designates Andrea Jayasekara, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the

indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$1,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as

designated in the policy must specifically include work performed under this Agreement. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer's duty to defend.

3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily injury and property damage; (2) personal Injury/Advertising injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be “primary and non-contributory” and will not seek contribution from the Commission’s insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant’s scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant’s insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability

Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage

required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto. The total compensation shall not exceed Three Hundred Seventy-Four Thousand Seven Hundred Sixty Dollars (\$374,760) without written approval of Commission's Executive Director ("Total Compensation"). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a monthly statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and

pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:
Conrad LLP
23161 Lake Center Dr.
Suite 200
Lake Forest, CA 92630
Attn: Anrdra Jayasekara

COMMISSION:
Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

All programs, working papers, files and other materials of the Consultant made pursuant to this Agreement shall remain the property of the Consultant. The Commission will have access to this material at any time. All reports delivered by the Consultant and its subcontractors pursuant to the Agreement shall become the property of the Commission without restriction or limitation on their use and shall be made available upon request, to the Commission at any time. Original copies of the deliverable reports shall be delivered to the Commission upon completion of the Services or termination of the Services. The Consultant shall be permitted to retain copies of such items for the

furtherance of its technical proficiency; however, publication of this material is subject to the written approval of the Commission.

3.18.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.18.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the

performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, agents, consultants, employees and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, omissions or willful misconduct of the Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation, the payment of all consequential damages, attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Commission, its directors, officials, officers, agents, consultants, employees and volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the Commission or its directors, officials, officers, agents, consultants, employees and volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse the Commission and its directors, officials, officers, agents, consultants, employees and volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnity shall not be restricted to insurance proceeds, if any, received by the Commission or its directors, officials, officers, agents, consultants, employees and

volunteers. This Section 3.21 shall survive any expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 Reserved.

3.31 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

3.32 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.33 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required

or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

3.34 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.35 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.36 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.37 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.38 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.39 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.40 Invalidity, Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.41 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.42 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.43 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.44 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT

**SIGNATURE PAGE
TO
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR AUDIT AND ATTESTATION SERVICES
FOR THE EASTERN RIVERSIDE COUNTY
MEASURE A RECIPIENTS AND
TRANSPORTATION DEVELOPMENT ACT CLAIMANTS
OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
WITH CONRAD LLP**

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

CONRAD LLP

By: _____
Anne Mayer
Executive Director

By: _____
Signature

Name

Title

Approved as to Form:

Attest:

By: _____
Best Best & Krieger LLP
General Counsel

By: _____
Its: Secretary

EXHIBIT "A"

SCOPE OF SERVICES

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

Statement of Services

A. General

The Riverside County Transportation Commission (RCTC), as the transportation planning agency for Riverside County, is issuing this Request for Proposal in order to secure services from a Consultant of certified public accountants to perform for the fiscal years ending June 30, 2021, 2022, and 2023, with the option of performing such services for three (3) additional one-year terms:

- Financial and compliance audits of RCTC's Transportation Development Act (TDA) claimants for transit (including funding from Local Transportation Fund (LTF) Article 4, State Transit Assistance (STA), State of Good Repair (SGR), Low Carbon Transit Operations Program (LCTOP), and Proposition 1B);
- Financial and compliance audits of RCTC's TDA claimants for bicycle and pedestrian projects (consisting of funding from LTF Article 3); and
- Agreed-upon procedures similar to those proposed in Appendix A, Section G, for RCTC's Measure A recipients of local streets and roads (LSR) funding.

Measure A Agreed Upon Procedures

The **Measure A LSR Agreed-Up Upon Procedures** apply to all eligible cities in Riverside County. Measure A LSR funding is allocated and disbursed monthly to the cities, as specified in Measure A. RCTC does not currently anticipate any incorporations or dis-incorporations of cities that would result in a change in Measure A LSR recipients. Currently, all cities meet the eligibility requirements that include:

- Participation in the Coachella Valley Transportation Uniform Mitigation Fee (TUMF) Program, as applicable;
- Annual submittal of a 5-Year Capital Improvement Plan (CIP) list of projects;
- Annual Maintenance of Effort certification; and
- Annual Project Status Report for the prior fiscal year CIP.

Transportation Development Act Audits

The **TDA Transit audits** will be performed for the Palo Verde Valley Transit Agency. TDA Transit operating and capital allocations are approved annually by RCTC in June based on the submittal of each transit operator's Short-Range Transit Plan. The transit operators also may unexpended Proposition 1B funding for capital/rehabilitation and/or security projects received through Caltrans and the California Office of Emergency Services (CalOES), respectively.

The **TDA Bicycle and Pedestrian audits** apply to local jurisdictions awarded funding by RCTC for bicycle and pedestrian projects through a biennial competitive call for projects. Local jurisdictions generally have two years to complete projects, including those projects approved in the FY 2019/20 Call for Projects at RCTC's June 12, 2019 meeting. However, as per revised

guidelines approved by RCTC at its January 13, 2021 meeting effective with the FY 2021/22 Call for Projects to be awarded at the June 9, 2021 RCTC meeting, local jurisdictions will now have three years to complete projects. Claimants may request disbursement of their allocations by RCTC on a reimbursement basis in accordance with RCTC's policies. Accordingly, the TDA Bicycle and Pedestrian audits are dependent on claims for expenditures of such funds.

Anticipated Changes in Audit and Attestation Services

RCTC does not anticipate any change in the local jurisdictions subject to TDA Transit audit and Measure A LSR attestation services. The local jurisdictions requiring TDA Bicycle and Pedestrian audits will be determined each year based on actual disbursements.

The Chief Financial Officer is designated as the coordinator of the work and may appoint a Finance Department staff to coordinate day-to-day oversight. The Chief Financial Officer will serve as the liaison to the audit oversight committee designated by RCTC.

The audits are to be performed by the Consultant(s) in accordance with generally accepted auditing standards, including use of the most current version of each of the following standards and guidelines:

- American Institute of Certified Public Accountants audit and attestation standards;
- General Accounting Office's (GAO) *Government Auditing Standards*;
- Measure A conformance requirements (Section G); and
- Transit requirements (Section H).

B. Scope of Work to be Performed

The selected Consultant(s) will be required to perform the following tasks:

- Audit of the transit and transportation financial statements of the jurisdictions receiving TDA funds in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the TDA as summarized in the TDA Guidebook; and SGR, LCTOP, and Proposition 1B audit guidelines specified by Caltrans and CalOES.
- Performance of agreed-upon procedures similar to those listed in Section F solely to assist RCTC in evaluating the applicable jurisdictions' Measure A transportation funds and degree of their compliance with RCTC's requirements of the Measure A LSR program. RCTC reserves the right to modify the agreed-upon procedures as deemed necessary to fulfill its oversight responsibilities for the Measure A LSR program.

C. Deliverables

Following completion of the audits and agreed-upon procedures and a review of the draft reports by RCTC, the Consultant(s) shall issue:

- A report on the fair presentation of the financial statements for the TDA claimants in conformity with generally accepted accounting principles and on compliance and internal control.
- A report on the agreed-upon procedures related to the Measure A recipients of LSR funding.

Drafts of the reports will be provided to RCTC staff and the applicable TDA claimant or Measure A recipient. The Chief Financial Officer or designee shall review and approve each report prior to issuance.

For each report issued to RCTC, the Consultant shall issue one PDF copy to RCTC and one PDF to the applicable TDA claimant or Measure A recipient, as applicable.

Financial and Compliance Reports

The Consultant will submit a financial and compliance report for each TDA audit. The Consultant will be responsible for the preparation, editing, and printing of all financial and compliance reports, including the financial statements and notes to the financial statements. Although the Consultant will prepare the financial statements, management of the TDA Claimant is responsible for the financial statements.

Agreed-Upon Procedures

The Consultant will submit a report for each Measure A recipient, as applicable, listing the procedures performed, results of procedures performed, and findings, if any. The Consultant will be responsible for preparation, editing, and printing of all agreed-upon procedure reports.

D. Required Communications

Significant Deficiencies – In the required reports on compliance and internal controls, the Consultant shall communicate any significant deficiencies found during the audit of the TDA claimants. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Significant deficiencies that are also material weaknesses shall be identified as such in the report. Other control deficiencies discovered by the Consultant may be reported in a separate letter to management, which shall be referred to in the reports on compliance and internal controls.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance may be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts – The Consultant shall be required to make an immediate, written report of all irregularities and illegal acts or indication of illegal acts of which they become aware to the jurisdiction/agency and RCTC's audit oversight committee, Executive Director, and Chief Financial Officer.

Planning meetings – The Consultant shall meet with RCTC staff at least once a year prior to the commencement of the audits and agreed-upon procedures.

E. Audit Schedule

The work to be performed at the jurisdictions and agencies shall be arranged by the Consultant with the individual jurisdiction or agency after the conclusion of a planning meeting with RCTC and RCTC's issuance of audit notification letters to each jurisdiction and agency.

The work should be scheduled for no later than November 15 of each year. Barring unforeseen circumstances, the Consultant must conduct the work activities and provide all required reports and information to RCTC no later than December 31 of each year. The TDA audits are required to be submitted to the State Controller by December 31 of each year; however, an extension may be granted by RCTC for no more than 90 days. RCTC's policy for Measure A reports follows the TDA requirement; however, a formal extension is generally not issued.

The Consultant shall keep RCTC apprised at least monthly on the status of the audits and any issues which have been encountered. RCTC will provide assistance, to the extent necessary and/or possible, to resolve such issues. If circumstances outside the control of the Consultant or RCTC arise and the deadline cannot be met, both parties agree to communicate the circumstances and develop an action plan.

F. Measure A Proposed Local Streets and Roads Agreed-Upon Procedures (Proposed)

1. Review the 2009 Measure A (Ordinance 02-001) compliance requirements. Western County jurisdictions are required to participate in the Transportation Uniform Mitigation Fee (TUMF) program and in the Multi-Species Habitat Conservation Plan (MSHCP), which are administered by the Western Riverside Council of Governments (WRCOG) and the Western Riverside County Regional Conservation Authority (RCA), respectively. Coachella Valley jurisdictions are required to participate in the TUMF program administered by the Coachella Valley Association of Governments (CVAG). Indicate participation in TUMF and/or MSHCP programs.
2. Obtain from RCTC the approved Five-Year Capital Improvement Plan (CIP) for the fiscal year.
3. Obtain from the jurisdiction a detail general ledger and balance sheet for the fiscal year.

- a. Identify the amount of Measure A cash and investments recorded at the end of the fiscal year. Compare amount to Measure A fund balance and provide an explanation for any differences greater than 25% of fund balance.
 - b. Identify any amounts due from other funds.
 - c. Identify the components of ending fund balance for the Measure A activity (e.g., nonspendable, restricted, assigned, committed, unassigned) [and for County of Riverside only by geographic area].
 - i. Identify the existence of any restatement of Measure A fund balance; inquire of management as to the reason for any restatement and provide a summary of the restatement items.
 - ii. Compare ending fund balance to total revenues for the current year and prior two years. If ending fund balance is greater than sum of total revenues for the three-year period, inquire of management as to the reason(s) for the accumulation of fund balance (e.g., status of specific projects included in the 5-Year CIP).
4. Obtain an operating statement for the Measure A activity for the fiscal year, including budget amounts; include the operating statement as an exhibit to the report.
- a. Review the revenues in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A revenues received from RCTC and identify what the total revenues were for the fiscal year.
 - ii. Obtain from RCTC a listing of Measure A payments to the jurisdiction.
 - 1. Compare the Measure A sales tax revenues recorded by the jurisdiction to the listing of payments made by RCTC. [Use gross amounts paid by RCTC]
 - iii. Obtain from the jurisdiction an interest allocation schedule for the fiscal year.
 - 1. Identify the allocation amount of interest income to Measure A activity and what the amount of interest income was for the fiscal year. If no interest was allocated, inquire of management as to reason for not allocating interest income.
 - b. Review the expenditures in the operating statement.
 - i. Inquire of management as to what fund is used to record Measure A expenditures and what the total expenditures were for the fiscal year.
 - ii. Select expenditures for testing that comprise at least 20% of the total expenditures.
 - 1. For the expenditures selected for testing, compare the dollar amount listed on the general ledger to the supporting documentation.
 - 2. For the expenditures selected for testing, review the 5-Year CIP and note if the project is included in the 5-Year CIP and is an allowable cost.
 - iii. Inquire of management as to the nature of any transfers in or out recorded in the Measure A fund. For any transfers out, determine if nature of transfer out was included in the 5-Year CIP.
 - iv. Inquire of management as to the amount of general or non-project-related indirect costs, if any, included in expenditures. If indirect costs exceed 8% of Measure A revenue, inquire of management as to the basis for indirect costs

- charged to Measure A. If indirect costs are identified, determine if such costs are included in the 5-Year CIP.
- v. Inquire of management as to the amount of debt service expenditures recorded in the Measure A fund and determine if such costs are included in the 5-Year CIP.
5. Obtain from RCTC a listing of jurisdictions who participate in the Western County or Coachella Valley TUMF programs.
 - a. If the jurisdiction is a participant in the TUMF program, select at least one disbursement for validation as to the amount remitted to WRCOG or CVAG, as applicable.
 - b. Indicate the total amount of TUMF fees collected and remitted during the fiscal year.
 6. Obtain from RCTC a listing of jurisdictions who participate in the Western County MSHCP program.
 - a. If the jurisdiction is a participant in the MSHCP program, select at least one disbursement for validation as to the amount remitted to RCA, as applicable.
 - b. Inquire of management as to the existence of any fees collected in prior years and not remitted to RCA as of the end of the fiscal year.
 - c. Indicate the total amount of MSHCP fees collected and remitted during the fiscal year.
 7. Obtain from RCTC the MOE base year requirement, including supporting detail of the calculations for its city/County, and the carryover amount allowed as of the beginning of the fiscal year.
 - a. Obtain from the city/County a calculation of its current year MOE amount in the format similar to its base year calculation. Attach a copy of the calculation worksheet provided by the city/County as an exhibit to the report.
 - b. Compare the current year MOE amounts from the General Fund to the general ledger.
 - c. Review the General Fund general ledger to determine if there were any transfers in to fund any MOE amounts.
 - d. Compare the amount of current year MOE expenditures to the MOE base requirement and add any excess to, or subtract any deficiency from, the carryover amount.
 - e. If the amount of discretionary funds spent is less than the MOE base requirement (MOE deficiency), determine the amount of any prior year MOE carryover using the information obtained from RCTC and reduce the MOE deficiency by any available MOE carryover to determine an adjusted current year expenditure amount.

G. Measure A Recipient Conformance Requirements

1. **Allowable Costs.** Measure A funds may only be used for transportation purposes including the administration of Division 25 including legal actions related thereto; the construction, capital acquisition, maintenance, and operation of streets, roads,

highways including state highways and public transit systems; and for related purposes. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

a. Eligible local street and road projects costs include any engineering, capital, or maintenance cost. Decisions on projects are to be made by *local jurisdictions* subject to Capital Improvement Program requirements.

i. Annual budget reflecting the local government or agency's anticipated receipts and expenditures should be prepared and submitted to RCTC *upon approval* by the governing board. The data contained in the capital improvement plans submitted to RCTC should be included in the recipient's budgets. These budgets allow for proper evaluation by RCTC of the recipient's activities on an annual basis. (Policy adopted May 8, 1991)

b. Eligible transit programs include special discount fares for seniors and handicapped people, commuter bus services, funding for computer assisted rideshare programs, and "seed" programs to encourage the creation of vanpools. Additionally, funds will be used to provide further reductions for the truly needy and to expand existing services and implement new services. Bus capital replacement and additional bus service may also be an eligible program within the Coachella Valley, subject to a determination of funding by the Coachella Valley Association of Governments (CVAG).

2. **Maintenance of Effort (MOE).** Additional funds provided under Measure A are intended to supplement existing local revenues being used for transportation purposes. Government agencies shall maintain their existing commitment of local funds for street highway and public transit purposes pursuant to Measure A.

a. The local cities and the County shall annually submit to RCTC a list of the proposed uses for these funds and a certification that the MOE requirement is being met. If in any fiscal year, the maintenance of effort requirement is not met, the agency shall not be eligible for any Measure A funds in the following fiscal year. Such funds shall be distributed to the remaining local governments using the formula for the area.

i. Agencies may use any local discretionary funds expended for local streets and roads purposes during previous fiscal years which were in excess of their maintenance of effort requirements to meet their MOE requirements for the fiscal year. (Measure A Maintenance of Effort Guidelines)

b. RCTC shall assure the cities' and County compliance with MOE funding requirements before allocating funds for local streets and roads.

c. RCTC shall not allocate funds to an individual city or the County for local streets and roads use within the Western County and Coachella Valley areas unless WRCOG or CVAG indicates participation of agency in the Transportation Uniform Mitigation Fee program necessary for implementation of the planned regional arterial system.

3. **Allocation of Funds to Geographic Areas.** Funds for transportation purposes shall be allocated to the Western County, Coachella Valley, and Palo Verde Valley areas proportionate to the Measure A funds generated within these areas.

4. **Allocation of Funds within Geographic Areas.** RCTC shall return 2009 Measure A funds to the geographic areas as follows (*Applicable to RCTC*):
- a. **Western County.** To be distributed for the following programs: \$370 million (approx. 11% to new corridors; \$1,020 million (approx. 30%) to highways; \$390 million (approx. 12%) to public transit; \$300 million (approx. 9%) to regional arterials; \$970 million (approx. 29%) to local streets and roads; \$270 million (approx. 8%) to bond financing; and \$40 million (approx. 1%) to economic development.
 - i. Local streets and roads funding are to be distributed by a formula based on 75% on proportionate population and 25% on 2009 Measure A revenues generated within each jurisdiction, if they participate in the Transportation Uniform Mitigation Fee program and Multi-Species Habitat Conservation Plan. If local agencies choose not to participate in the TUMF and MSHCP programs, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by RCTC.
 - b. **Coachella Valley.** To be distributed for the following programs: 50% to highways and regional arterial projects; 35% to local streets and roads; and 15% to specialized public transit.
 - i. Local streets and roads funds will be provided to Coachella Valley cities and the County if they participate in the Transportation Uniform Mitigation Fee program. If local agencies choose not to participate in the TUMF program, the funds they would otherwise receive for local streets and roads will be added to the Measure A funds for the Regional Arterial System administered by CVAG.
 - ii. Local streets and roads funds are to be distributed by a formula based on 50% on proportionate dwelling units and 50% on 2009 Measure A revenues generated within each jurisdiction, as interpreted in Ordinance and direction provided by CVAG.
 - c. **Palo Verde Valley.** To be distributed 100% to local streets and roads.
 - i. Local streets and roads funds are to be distributed by a formula based on 75% on proportionate population and 25% on sales tax revenues generated in each jurisdiction.
5. **Accounting Records.** Measure A recipients are required to maintain accurate, complete, and separate accounting records for all sources of the funds they receive. Small not-for-profit agencies are encouraged but not required to maintain separate accounting records as long as Measure A receipts, related revenues, and expenditures can be readily identified. If RCTC's independent auditors are unable to readily identify which funds are being used for expenditures, then the agency will be required to maintain separate accounting records and cash accounts if they are to continue receiving Measure A allocations. Any agency which maintains poor accounting records will receive funding allocations on a reimbursement basis only. (Policy adopted May 12, 1993)
6. **Interfund Borrowing.** Interfund borrowing from Measure A funding sources to another local jurisdiction fund is strictly prohibited. Cities and agencies must maintain

sufficient cash balances so as not to impair their Measure A funds. Evidence of interfund borrowing or impaired cash balances will result in the city or agency receiving funds from RCTC on a reimbursement basis only after any existing city or agency reserves of prior Commission funds have been fully depleted. (Policy adopted May 12, 1993)

7. **Interest Income Allocations.** Interest on Measure A funds shall accrue separately for all of RCTC's programs as defined in the text of Measure A. This interest allocation policy is applicable to the entire County, and such allocations shall be made monthly. Interest earned on unexpended Measure A monies should be recorded in the Measure A fund established by a local government or other agency receiving local streets and roads or specialized transit monies. As these funds are restricted, the related interest earned should be restricted as required by governmental regulations and other transportation funding including the Transportation Act. (Policy adopted May 8, 1991 and May 12, 1993)
8. **Accumulated Deficits.** Accumulated funding source deficits are the responsibility of the local jurisdiction. RCTC will consider allocating additional funds for such deficits when justifiable on a case-by-case basis. (Policy adopted May 12, 1993)
9. **Budget Variances.** Significant budget variances should be avoided. All local jurisdictions are required to compare the budget to actual results and make mid-year revisions as needed. (Policy adopted May 12, 1993)
10. **Unexpended Monies.** Whenever the annual fiscal audit or the proposed update of the Five Year Capital Improvement Program of a local agency shows a Measure A Local Streets and Road Program carryover balance in excess of *three (3) times the annual allocation* to an agency, Commission staff will:
 - a. Meet with the local agency to have them explain the reason for the carryover and explore alternatives for moving projects faster, and
 - b. Present a report of their findings to RCTC's Budget and Finance Committee to determine if any further action should be considered and proposed to the full Commission.(Policy included in December 13, 1995 revisions to the RCTC Program and Funding Guide)

H. Transit Compliance Requirements

The auditors should review the TDA regulations for Local Transportation Fund and State Transit Assistance funding. California Code Section 6664 discusses the fiscal and compliance audits of all claimants, Section 6666 provides the compliance audit tasks for non-transit claimants, and Section 6667 provides the compliance audit tasks for transit claimants. The TDA Statutes and California Code of Regulation Guidebook is available at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-a11y.pdf>.

California Department of Transportation program guidelines for State of Good Repair funds received through RCTC are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/sgr/202008-sgr-final-guidelines-a11y.pdf>

Proposition 1B accountability requirements for Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/ptmisea/201910-ptmisea-guidelines-a11y.pdf>

Proposition 1B guidelines for Transit System Safety, Security, and Disaster Response Account (TSSSDRA) funds received through CalOES are located at:

[https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA guidelines](https://www.caloes.ca.gov/GrantsManagementSite/Documents/FY_2016-17_HR_Guidance_with_Allocations.pdf#search=TSSSDRA%20guidelines)

LCTOP program guidelines for funds received through Caltrans are located at:

<https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/lctop/201909-lctop-fy19-20-guidelines-a11y.pdf>

End of Statement of Services

EXHIBIT "B"

COMPENSATION

[TO BE INSERTED BEHIND THIS PAGE]

DRAFT

EXHIBIT "B"

COMPENSATION SUMMARY¹

(Amounts subject to rounding differences)

FIRM	PROJECT TASKS/ROLE	COST
Prime Consultant:		
Conrad LLP ²	Audit and Attestation Services	\$ 374,760
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 374,760

TASK NUMBER	TASK DESCRIPTION	COST
TDA Article 3/Bicycle and Pedestrian ²	Audit Services	\$ 149,310
TDA Article 4/Transit	Audit Services	44,250
Measure A Local Streets and Roads	Agreed-Upon Procedures Attestation Services	181,200
SUBTOTAL		374,760
OTHER DIRECT COSTS		-
TOTAL COSTS		\$ 374,760

FISCAL YEAR	PROJECT	COST
FY 2020/21 ²	Audit and Attestation Services	\$ 61,960
FY 2021/22 ²	Audit and Attestation Services	62,160
FY 2022/23 ²	Audit and Attestation Services	62,360
FY 2023/24 (Option Year 1) ²	Audit and Attestation Services	62,560
FY 2024/25 (Option Year 2) ²	Audit and Attestation Services	62,760
FY 2025/26 (Option Year 3) ²	Audit and Attestation Services	62,960
TOTAL COSTS		\$ 374,760

¹ Commission authorization pertains to total contract award amount. Compensation adjustments between consultants may occur; however, the maximum total compensation authorized may not be exceeded.

² TDA Article 3/Bicycle and Pedestrian audits will be determined annually based on TDA claimants; accordingly, amounts are estimated. This estimate assumes seven (7) annual TDA Article 3/Bicycle and Pedestrian audits.

AGENDA ITEM 9

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	April 26, 2021
TO:	Budget and Implementation Committee
FROM:	Jillian Guizado, Planning and Programming Director
THROUGH:	John Standiford, Deputy Executive Director
SUBJECT:	2021 Mid-Cycle State Transportation Improvement Program Funding Distribution and Programming

STAFF RECOMMENDATION:

This item is for the Committee to:

- 1) Approve the 2021 Mid-Cycle State Transportation Improvement Program (STIP) funding distribution among the three geographic areas in Riverside County per the adopted STIP Intracounty Memorandum of Understanding (MOU);
- 2) Approve programming \$10,069,068 of 2021 Mid-Cycle STIP Western Riverside County, Coachella Valley, and Palo Verde Valley funding capacity to the 71/91 Connector project, and submit the 2021 Mid-Cycle STIP to the California Transportation Commission (CTC);
- 3) Include programming Planning, Programming, and Monitoring (PPM) funds (2 percent of STIP programming capacity) in the amount of \$205,491 in Fiscal Year 2022/23;
- 4) Approve swapping the Coachella Valley STIP share with Surface Transportation Block Grant (STBG) funds in the amount of \$2,159,815;
- 5) Approve Agreement No. 07-71-028-04, Amendment No. 4 to Agreement No. 07-71-028-00, with the city of Blythe (Blythe) to trade \$43,297 of Palo Verde Valley STIP funds with Measure A Western Riverside County Highway funds to facilitate delivery of local arterial projects;
- 6) Authorize the Executive Director, pursuant to legal counsel review, to execute Agreement No. 07-71-028-04 on behalf of the Commission upon CTC adoption of the 2021 Mid-Cycle STIP; and
- 7) Forward to the Commission for final action.

BACKGROUND INFORMATION:

On December 27, 2020, the President signed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) stimulus bill. CRRSAA appropriated an additional \$10 billion for Highway Infrastructure Programs (HIP) nationwide, of which approximately \$911.8 million was apportioned to the state of California. These funds are available for obligation until September 30, 2024 and have very flexible uses as specified in federal law section 133(b) of Title 23, U.S.C., as well as costs related to preventive maintenance, routine maintenance, operations,

personnel, including salaries of employees or contractors, debt service payments, availability payments, and coverage for other revenue losses.

Traditionally, HIP funds are apportioned by the California Department of Transportation (Caltrans) by formula, whereby Riverside County receives approximately 5.9 percent for its population share. The CTC, typically responsible for the programming and allocation of state-generated transportation funds, elected to oversee the distribution of the CRRSAA funds. In coordination with Caltrans, the CTC set aside 60 percent of CRRSAA funds to backfill revenue losses anticipated in the State Highway Operation and Protection Program, leaving the remaining 40 percent for distribution to regions throughout the state. The CTC held three workshops to discuss how the 40 percent of regional funds should be distributed. Despite precedence and clear written guidance from the Federal Highway Administration, the CTC opted for an unprecedented distribution of federal formula funds: of the 40 percent available to regions, 50 percent will be distributed under the Surface Transportation Block Grant (STBG) program and 50 percent will be distributed under the STIP.

STBG is a federal formula program authorized in the current federal transportation authorization law, Fixing America's Surface Transportation (FAST) Act. Riverside County typically receives 5.9 percent or \$31 million annually for its population share in STBG federal formula funds under the FAST Act.

The STIP is a five-year program of projects administered by the CTC every two years. The next STIP is anticipated to be adopted in March 2022. Every two years when there is a new STIP cycle, the state allocates STIP funds to two broad programs – the Regional Improvement Program (RIP), which receives 75 percent of the total STIP funds, and the Interregional Transportation Improvement Program managed by Caltrans, which receives the remaining 25 percent. The 75 percent RIP funding is further subdivided by formula into county shares. The formula is 75 percent population and 25 percent state highway lane miles. County shares are available solely for projects nominated by regional agencies.

Per the Commission's STIP intracounty formula distribution most recently adopted at the July 10, 2019 Commission meeting for the 2020 STIP, STIP funds are allocated to Western County, Coachella Valley, and Palo Verde Valley based on the most recent fiscal year taxable sales by geographic area used for Measure A allocations, as seen in Table 1.

Table 1. STIP intracounty formula

<u>Geographic Area</u>	<u>2020 STIP</u>
Western County	78.12%
Coachella Valley	21.45%
Palo Verde Valley	00.43%

DISCUSSION:

On March 24, 2021, the CTC approved the distribution of CRRSAA funds. With the adopted distribution methodology, the Commission will receive \$10,576,603 of STBG funds and \$10,274,559 of STIP funds for a combined total of \$20,851,162 of CRRSAA funding.

Per the Commission's STIP intracounty distribution formula, each geographic area receives STIP funding based on the above percentages. In addition, STIP guidelines allow up to five percent of RIP funding for PPM activities. However, the Commission's policy is to set aside only two percent for PPM activities to fund Project Study Reports, planning documents, and staff costs associated with STIP funding and programming. PPM funding is available for Coachella Valley Association of Governments (CVAG) and Commission activities.

As presented in Table 2, staff recommends approval of the 2021 Mid-Cycle STIP funding distribution among the three geographic areas in Riverside County per the adopted STIP Intracounty Memorandum of Understanding (MOU). Staff further recommends to include programming PPM funds (2 percent of STIP programming capacity) in the amount of \$205,491 in Fiscal Year 2022/23. Due to the amount of STIP funding available to each geographic area being relatively small, as seen in Table 2, staff recommends swapping the Coachella Valley STIP share with STBG funds and the Palo Verde Valley STIP share with Measure A funds. Staff also recommends the Commission authorize the Executive Director, pursuant to legal counsel review, to execute an amendment to the agreement with the city of Blythe for the Palo Verde Valley STIP trade upon CTC adoption of the 2021 Mid-Cycle STIP.


Table 2. STIP intracounty distribution

<u>Geographic Area</u>	<u>2020 STIP</u>	<u>2021 Mid-Cycle STIP</u>
STIP PPM	2% off-the-top	\$205,491
Western County	78.12%	\$7,865,956
Coachella Valley	21.45%	\$2,159,815
Palo Verde Valley	00.43%	\$43,297

If approved, this will result in the Commission having \$10,069,068 of STIP funds to program in Western County. Staff recommends the Commission approve programming these STIP funds on the construction phase of the 71/91 Connector project and submitting the 2021 Mid-Cycle STIP to the CTC. This project is already programmed in the 2020 STIP.

The Coachella Valley STIP share of \$2,159,815 is proposed to be funded from the STBG funds the Commission will receive from CRRSAA and will be available for programming by CVAG, as is the standard practice for formula funds due to the Coachella Valley. Other than the federal requirements associated with federal funding, STBG is the most flexible fund source available. The remainder of the STBG funds, approximately \$8,416,788, will be programmed on Commission priority projects as quickly as possible to meet the intent of the funds providing a stimulus to Riverside County.

FISCAL IMPACT:

Financial Information					
In Fiscal Year Budget:	Yes N/A	Year:	FY 2021/22 FY 2022/23+	Amount:	\$248,788 \$10,025,771
Source of Funds:	CRRSAA/STIP funds			Budget Adjustment:	No N/A
GL/Project Accounting No.:	652040 415 41502 106 66 41501 003021 415 41502 262 31 41501 623994 81301 262 31 81301			\$205,491 (PPM STIP revenues) \$10,069,068 (71/91 Connector revenues) \$43,297 (Blythe STIP trade expenditure)	
Fiscal Procedures Approved:				Date:	04/14/2021

AGENDA ITEM 10

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	April 26, 2021
TO:	Budget and Implementation Committee
FROM:	David Knudsen, Interim External Affairs Director
THROUGH:	John Standiford, Deputy Executive Director
SUBJECT:	State and Federal Legislative Update

This item is for the Committee to:

- 1) Receive and file an update on state and federal legislation;
- 2) Adopt the following bill positions:
 - a) SB 261 (Allen) – Oppose
 - b) AB 840 (Holden) – Oppose; and
- 3) Forward to the Commission for final action.

DISCUSSION:

State Update

The California State Legislature returned to Sacramento from its week-long spring recess on April 5, 2021. Legislators have an extremely busy month ahead as they work through policy committee hearings and facing deadlines to advance bills introduced in their house of origin. Simultaneously, Governor Newsom is preparing his budget revision to be released in May, which will take into account any adjustments to state revenue or any changes he wants to make to his 2021-22 budget proposal.

The California Department of Finance released an economic update in March with preliminary General Fund tax receipts for the first eight months of the fiscal year. According to its report, tax receipts were \$14.34 billion above the 2021-22 Governor’s budget forecast of \$111.518 billion. This combined with \$26 billion in federal COVID-19 relief California is expected to receive, the Governor and the Legislature may decide to increase the state’s discretionary spending already proposed \$165 billion. Staff will monitor how the Governor and Legislature will ultimately decide to use the windfall of revenue. June 15, 2021 is the Constitutional deadline for the Legislature to pass a budget.

Legislation

SB 261 (Allen) – Staff Recommended Position: Oppose

Senate Bill (SB) 261 authored by Senator Ben Allen (Santa Monica) would update the state's greenhouse gas (GHG) reduction goals for the transportation sector, create new vehicle miles traveled (VMT) reduction goals, increase the scrutiny of a Metropolitan Planning Organization's (MPO) Sustainable Communities Strategy (SCS) by the California Air Resources Board (CARB), and create new requirements for local governments to report on the number of housing, jobs, and transit supportive infrastructure that demonstrates the implementation of an SCS's strategies.

SB 261 adds additional requirements to SB 375 (Chapter 728, Statutes of 2008), which directed CARB to set regional targets for reducing GHG emissions from the automobile and light-duty truck sector for 2020 and 2035. In setting regional GHG emissions reduction targets, SB 375 established a Regional Targets Advisory Committee (RTAC) that included local and regional officials to advise CARB on the target-setting. Since the passage of SB 375, MPOs like Southern California Association of Governments (SCAG) and county transportation commissions like the Riverside County Transportation Commission (RCTC), have been working in partnership with each other and with CARB to meet the Southern California region's GHG reduction targets from the automobile and light-duty truck sector for 2020 and 2035. SB 375 requires MPOs to create SCSs in conjunction with their Regional Transportation Plans (RTPs) and establishes a "bottom-up" approach to ensure that cities, counties, and county transportation commissions are involved in developing regional plans to achieve those GHG reduction targets.

SB 261 would implement the following:

1. Extends GHG reduction targets and adds new VMT reduction targets: SB 261 would require CARB to set regional targets for reducing greenhouse gas emissions from automobile and light trucks for 2045 and 2050. In addition, the bill would require CARB to provide each region with VMT reduction targets for 2035, 2045, and 2050.
2. Increased Scrutiny and Double-Checking an MPO's SCS by CARB: This bill would provide vague justifications for CARB to reject an MPO's SCS and subject the MPO's SCS to increased levels of scrutiny and double-checking by CARB. SB 261 would require the MPO to submit an SCS to CARB within 60 days of the MPO's adoption of the document and then doubles the time CARB has to accept or reject an MPO's SCS from 60 to 120 days.
3. New Reporting Requirements: SB 261 would require each city or county to report to the MPO on the number of housing, jobs, and transit-supportive infrastructure, existing and planned, that demonstrates the implementation of the SCS's strategies. Cities and counties would be required to report this information every other year.

VMT reduction targets disproportionately and unfairly impact commuter communities, such as those in Riverside County whose residents find affordable living but who have to commute long

distances to job centers. Riverside County is among the fastest-growing counties in the state. Imposing uniform VMT reduction policies without a complete understanding of the region and substantial state funding could reduce our communities' access to employment, education, economic development, and recreational opportunities.

As a result of the issues identified in the bill, staff is recommending the Commission take an oppose position. This recommendation is consistent with the Commission's adopted 2021 State and Federal Legislative Platform, including:

- *Environment* - Oppose efforts to place new environmental criteria (such as GHG reduction or VMT reduction) on transportation projects and programs without commensurate funding for alternatives or mitigations.
- *Equity and Fairness* - Policies should be implemented recognizing regional variance by distinguishing high-growth regions for their impact on the economy, environment, and should be dynamic in order to address future population growth.

AB 840 (Holden) – Staff Recommended Position: Oppose

Assembly Bill (AB) 840, authored by Assemblymember Chris Holden, would require San Bernardino County Transportation Authority (SBCTA) and LA Metro to jointly develop a funding and implementation program for regional transit services to include service to international airports. In developing the program, the agencies shall consult with SCAG, California Transportation Commission, Ontario International Airport Authority, Metro Gold Line Foothill Extension Construction Authority, and Counties of Los Angeles and San Bernardino. This bill is another attempt after two bills last year, AB 2011 (Holden) and SB 1390 (Portantino), failed to pass out of the Legislature to compel SBCTA to extend the Metro Gold Line to Ontario International Airport.

While the specific matters at the center of this legislation do not apply directly to Riverside County, if approved, this bill creates a troublesome precedent for RCTC and all self-help transportation agencies in California who are entrusted with local governance of voter-approved tax revenues, including:

- Involving the state in the working partnerships between county transportation commissions
- Challenging the independent decision-making authority of the regional transportation authority

Any effort by the state to mandate a project not consistent with local priorities erodes the faith voters and taxpayers have placed in the transportation agencies to deliver projects that benefit county residents and maximize taxpayer dollars.

Staff's recommendation for the Commission to take an oppose position is consistent with the adopted 2021 State and Federal Legislative Platform, including:

Opposing these bills to their authors based on three principles outlined the Commission-adopted 2020 State and Federal Legislative Platform:

- *Protect Our Authority and Revenue* - Existing statutory authorities for the Commission should be preserved and protected.
- *Protect Our Authority and Revenue* - Oppose legislation that restructures or interferes with governance of the Commission or other local and regional transportation agencies without the support and consent of the entity affected.

Federal Update

On March 31, 2021, President Joe Biden unveiled his American Jobs Plan (AJP), a \$2.3 trillion proposal including \$1.3 trillion for infrastructure spending. The AJP proposes investment in “core assets” transportation funding levels, including:

- Roads and Bridges (\$115 billion)
- Transit (\$85 billion)
- Aviation (\$25 billion)
- Ports and Waterways (\$17 billion)
- Rail (\$80 billion)

More details on the AJP are anticipated in the coming weeks as Congress holds hearings to debate the proposal. It is not yet known if the budget reconciliation process will be used to move the AJP or if the package will move under “regular order.” The decision on the legislative path will impact the final details and timing on action related to the package.

Surface Transportation Reauthorization

Both the House and Senate continue to develop legislation to reauthorize federal surface transportation programs.

In the House, the Chairman of the House Transportation and Infrastructure Committee (T&I), Congressman Peter DeFazio (Oregon), has stated his intent to complete work on a surface transportation bill by late May. As part of the T&I Committee's process, a Member Day hearing was held on April 14, 2021, to receive testimony from Members of Congress on their policy priorities.

In addition, the T&I Committee is seeking earmark requests from Members of Congress to be included in the surface transportation reauthorization legislation. As of the writing of this staff report, RCTC has proposed the following projects to members of the Riverside County delegation:

- State Route 79 Realignment Project – Right-of-Way Environmental Mitigation
- Interstate 15 Northern Extension (I-15 NEXT)

In the Senate, the Environment and Public Works Committee (EPW), which has jurisdiction over federal highway programs, has also continued its work to develop a new surface transportation bill. The Chairman of the EPW Committee has also expressed a desire to complete work on the highway title of a surface transportation bill by late May. Recall that there are two other Senate Committees with jurisdiction over surface transportation programs that have yet to articulate a timeframe for their action. At this time, the Senate has not yet agreed to include earmarks in this legislation.

Community Project Funding

Congressional offices across the country, including those in Riverside County, accepted applications for community projects to receive federal dollars under new Community Project Funding (CPF), formally known as earmarks, which allows members of Congress to request funding for as many as 10 projects within their home districts. The 10 projects selected by Members will go to the House Appropriations Committee for review, and there will be a public database of all requests received by the committee.

In order to achieve decision-making transparency and reduce potential abuse, several guardrails have been set, including: requiring Members to certify that they and their families do not have a financial interest in any request made by the Member; creating a searchable online database of all CPF requests; banning for-profit recipients; and requiring each Member to demonstrate community benefit and support for each request. Each congressional office required each applicant to answer a series of questions to vet the legitimacy of the project and the request.

In April, RCTC submitted Community Project Funding requesting \$3 million for each of the following projects:

- Interstate 15 Smart Freeway Pilot Project
- Interstate 15 Corridor Operations Project
- Interstate 10 Highland Springs Interchange Improvements
- Moreno Valley/March Field Station Improvements Project

Attachments:

- 1) RCTC Community Project Funding Request Letter for Smart Freeway Pilot Project
- 2) RCTC Community Project Funding Request Letter for Interstate 15 Corridor Operations Project

- 3) RCTC Community Project Funding Request Letter for Interstate 10 Highland Springs Interchange Improvements
- 4) RCTC Community Project Funding Request Letter for Moreno Valley/March Field Station Improvements Project
- 5) Legislative Matrix – April 2021



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

April 8, 2021

The Honorable Ken Calvert
 United States House of Representatives
 U.S. Capitol
 Washington, DC 20510

Subject: Support for the Riverside County Transportation Commission's Community Project Funding Request

Dear Congressman Calvert:

On behalf of the Riverside County Transportation Commission (RCTC), I am pleased to request Community Project Funding of \$3 million for the Smart Freeway Pilot Project. Planned on northbound Interstate 15 from the San Diego/Riverside County Line to the 15/215 Interchange in Murrieta, this \$18 million pilot project is regionally significant, socially equitable, and will have a positive impact on the health and safety of the region's residents, businesses, and freight and goods movement.

This project pilots new and emerging technologies to demonstrate vast improvements to motorist safety and traffic congestion by using controlled, continuously variable adaptive ramp metering to improve traffic flow and reduce weaving and sudden stops. The project will also benefit the region by:

- **Expanding Regional Mobility:** This pilot project will improve regional mobility by improving the service times of Riverside Transit Agency's CommuterLink Express Routes 205/206, which provide essential transit service between Temecula and Corona, as well as job centers beyond via Metrolink.
- **Enhancing Economic Development:** The project will improve throughput along a vital trade corridor from the ports of Long Beach, Los Angeles, and San Diego to the rest of the country and will provide broad economic benefit and support the tourism industry in the Temecula Valley.
- **Supporting Access to all Communities:** The Smart Freeways project will provide more equitable access to regional job centers for low-income communities immediately adjacent to the project and further north on I-15 and I-215. In addition, this project will reduce rear-end collisions and limit income shocks that can irrevocably push vulnerable populations into poverty.
- **Decreasing Pollution (or Improving Air Quality):** Decreased vehicle idling and improved transit service, as well as reductions in sudden vehicle deceleration and acceleration, will reduce air pollution as the region's population continues to grow.

The Honorable Ken Calvert
April 8, 2021
Page 2

The project will use \$4 million in Fiscal Year 2020-21 Congestion Mitigation and Air Quality funds, \$1.2 million in State Highway Operation and Protection Program funds, as well as local funds to complete the project. It is also included and consistent with adopted regional transportation plans.

RCTC's innovative and forward-thinking Smart Freeway Pilot Project merits Community Project Funding because of the immediate positive impact it will have on our region's residents, the economy, and the environment. I encourage you to give it full and fair consideration.

Please contact Executive Director Anne Mayer at (951) 787-7141 if you have any questions.

Sincerely,



Jan Harnik
Chair



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

April 8, 2021

The Honorable Ken Calvert
 United States House of Representatives
 U.S. Capitol
 Washington, DC 20510

Subject: Support for the Riverside County Transportation Commission's Community Project Funding Request

Dear Congressman Calvert:

On behalf of the Riverside County Transportation Commission (RCTC), I am pleased to request Community Project Funding of \$3 million for the Interstate 15 Corridor Operations Project (I-15 COP). This \$38 million project is regionally significant, socially equitable, and will benefit the health and safety of our region's residents, businesses, and freight and goods movement.

The project proposes to add an auxiliary lane on southbound I-15 between Cajalco Road in Corona and Weirick Road in Temescal Valley in Riverside County. The auxiliary lane is designed to relieve heavy traffic congestion in this area, especially during peak afternoon commute times, by removing a bottleneck to accommodate existing and future traffic volumes. The project will also be compatible with other RCTC planned I-15 corridor improvements, such as the future I-15 Express Lanes Project Southern Extension, expected to be open as early as 2028.

The I-15 COP will benefit our region by:

- **Expanding Regional Mobility:** The project will help reduce vehicle congestion that is prevalent during peak afternoon commute hours.
- **Increasing Safety:** Adding an auxiliary lane will reduce weaving at the high use exits of Cajalco Road in Corona and Weirick Road in Temescal Valley, reducing chances of vehicle collisions.
- **Enhancing Economic Development:** Traffic congestion relief is essential to the region's economic vitality, due to Interstate 15's role in carrying commuters, freight, and regional tourists. Low-income communities are concentrated both in the I-15/State Route-91 corridor of Corona to the north of the project and in Lake Elsinore to the south of the project, and this improvement would improve access to job centers and increase productivity.

The Honorable Ken Calvert
April 8, 2021
Page 2

- **Improving Transit:** This project will expand multimodal options by optimizing travel conditions on I-15 for riders of Riverside Transit Agency CommuterLink Express Routes 205/206 between Temecula and Corona, as well as job centers beyond via Metrolink.
- **Supporting All Communities:** Relieving traffic congestion is also critical for this area, particularly disadvantaged communities east of the I-15 and project area, which experience high levels of pollution particulates, largely from idling vehicles on I-15.

This project is regionally significant. In the western United States, the I-15 corridor is the spine of a transportation network extending more than 1,470 miles through California, Nevada, Arizona, Utah, Idaho, and Montana. I-15 links coastal ports to inland population centers and connects with major east-west corridors that serve the entire U.S. The I-15 corridor links the San Diego metropolitan area with the Riverside-San Bernardino metropolitan area. Due to rapid population growth in recent years in the California Mojave Desert region, I-15 has become a heavily traveled commuter route between metropolitan Southern California and the Victor Valley. It is also the primary access route between Southern California and Las Vegas with more than 25 million people driving this corridor annually.

The I-15 COP merits Community Project Funding because of the immediate positive effect it will have on our region's residents, the economy, and the environment. I encourage you to give it full and fair consideration.

Please contact Executive Director Anne Mayer at (951) 787-7141 if you have any questions.

Sincerely,



Jan Harnik
Chair



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

April 8, 2021

The Honorable Raul Ruiz, M.D.
 United States House of Representatives
 U.S. Capitol
 Washington, DC 20510

Subject: Support for the Riverside County Transportation Commission's Community Project Funding Request

Dear Congressman Ruiz:

On behalf of the Riverside County Transportation Commission (RCTC), I am pleased to request Community Project Funding of \$3 million for the Interstate 10/Highland Springs Avenue Interchange Improvement project. This \$25 million project, informed by preliminary studies conducted in partnership with Caltrans and the cities of Banning and Beaumont, would reconfigure lanes to the I-10 underpass at Highland Springs Avenue and add auxiliary lanes to the ramps to improve traffic flow and safety. This project is socially equitable and will have a positive impact on the health and safety of the region's residents, businesses, and freight and goods movement.

The I-10/Highland Springs Avenue Interchange serves as the main connection to large housing developments and multiple retail, commercial, medical, and employment centers. With one of the highest peak traffic volumes per hour and per month in Riverside County, it also is in proximity to State Route 60, a major trucking and logistics route for Southern California and the nation.

The I-10/Highland Springs Avenue Interchange will benefit our region by:

- **Enhancing Traffic Safety:** Current queue lengths exceed capacity to and from I-10 at Highland Springs Avenue. This creates impacted intersections, which prevents emergency vehicles from being able to move efficiently within the cities of Banning and Beaumont.
- **Spurring Economic Development:** This project will stimulate economic development in a rapidly developing area by reducing traffic congestion and improving motorist access to I-10, San Geronio Memorial Hospital to the north, and retail and commercial businesses to the north and south of I-10, all vital commerce and employment centers.

The Honorable Raul Ruiz, M.D.

April 8, 2021

Page 2

- **Supporting Underserved Communities:** This project will particularly benefit low-income communities living with household incomes at and below 80 percent of the state median, located east and south of the interchange, providing equitable access to employment centers and medical services. The project would additionally provide congestion relief to the interchanges to the east on I-10, which are situated in an identified disadvantaged community with a CalEnviroScreen 3.0 percentile of 80-85 percent.
- **Enhancing Multimodal Transit:** The project will improve mobility and support multimodal transit by providing a Class II bike lane within the project limits, which is also served by Riverside Transit Agency Route 31, a link to San Jacinto and Moreno Valley, and SunLine 10 Commuter Link, which provides regular service between Indio and the San Bernardino Transit Center and Metrolink Station.
- **Improving Air Quality:** The project will reduce idling and limit increases in air pollution as the area population continues to grow.

The project will be funded with \$22 million from the Western Riverside Council of Governments (WRCOG) Transportation Uniform Mitigation Fee (TUMF) with the balance from the Community Funding Project.

The I-10/Highland Springs Avenue Interchange Improvement project merits this funding because of the immediate positive effect it will have on our region's residents, their environment, and the economy. I encourage you to give it full and fair consideration.

Please contact Executive Director Anne Mayer at (951) 787-7141 if you have any questions.

Sincerely,



Jan Harnik
Chair



4080 Lemon St. 3rd Fl. Riverside, CA 92501
 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208
 951.787.7141 • rctc.org

April 8, 2021

The Honorable Mark Takano
 U. S. House of Representatives
 United States Capitol
 Washington, DC 20510

Subject: Support for the Riverside County Transportation Commission's Community Project Funding Request

Dear Congressman Takano:

On behalf of the Riverside County Transportation Commission (RCTC), I am pleased to request Community Project Funding of \$3 million for the Moreno Valley/March Field Station Improvement Project, in partnership with the Southern California Regional Rail Authority (Metrolink). This station serves Metrolink's 91/Perris Valley Line and is the midpoint between the Perris-Downtown Station and the Riverside-Downtown Station.

This project is regionally significant and connects commuters to employment and education centers in Orange and Los Angeles counties. Metrolink also provides service throughout a five-county region, providing access to locations throughout southern California. The project will add a train platform and upgrade existing tracks that will lead to service efficiencies, expand regional mobility options, and reduce reliance on passenger vehicles, which generate more pollutants per traveler than passenger trains. This environmental health benefit is critical, considering the 91/Perris Valley Line corridor in Riverside, Moreno Valley, and Perris are surrounded by disadvantaged communities with pollution burden percentiles of over 90, per CalEnviroScreen 3.0.

The project will benefit the region by:

- **Increasing Service Capacity:** Adding a second train platform and lengthening the existing train platform to accommodate the length of Metrolink's standard eight-car trains. The project also will upgrade 2.7 miles of track that are part of a future nine-mile double-track corridor south of the station.
- **Alleviating Traffic Congestion:** Reducing traffic congestion on Interstate 215 by providing more public transit options for Riverside County residents, including those in southwestern Riverside County, who have some of the longest commutes in Southern California.
- **Improving Air Quality:** Reducing auto emissions by offering more options for train service, which encourages more commuters to travel by train.

The Honorable Mark Takano
April 8, 2021
Page 2

The Moreno Valley/March Field Station Improvement Project, with a total cost of \$25 million, has already received \$16.9 million in Federal Transit Administration Section 5307 formal funds. If the project receives Community Project Funding, RCTC would fully fund the remainder of the project with other federal and local sources.

The Moreno Valley/March Field Station Improvements deserve Community Project Funding because of the immediate positive effect it will have on our region's residents, the economy, and the environment. I encourage you to give it full and fair consideration.

Please contact Executive Director Anne Mayer at (951) 787-7141 if you have any questions.

Sincerely,



Jan Harnik
Chair

RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – APRIL 2021

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 1499 (Daly)	Removes the January 1, 2024 sunset date for Department of Transportation and regional transportation agencies to use the design-build procurement method for transportation projects in California.	Referred to Assembly Appropriations Committee April 5, 2021	<i>SUPPORT</i>	April 14, 2021
SB 623 (Newman)	Clarifies existing law to ensure toll operators statewide can improve service to customers and enforce toll policies while increasing privacy protections for the use of personally identifiable information (PII).	Referred to Senate Judiciary Committee April 13, 2021	<i>SUPPORT</i> <i>Staff action based on platform</i>	April 5, 2021