

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chair Phyllis J. Randall and Members
Northern Virginia Transportation Authority

FROM: Mayor Jeanette Rishell, Finance Committee Chair

DATE: May 5, 2022

SUBJECT: Contract for Financial Statement Audit Services

- 1. Purpose:** To seek Northern Virginia Transportation Authority (NVTA) approval of the contract with PBMares LLP for financial statement audit services.

Suggested motion: *I move the Northern Virginia Transportation Authority approval to renew the Financial Statement Audit Service agreement with PBMares LLP for three base years, fiscal years 2022 through 2024, with options to extend for up to four additional years, in two-year increments.*

- 2. Background:** The Finance Committee, in its role as the Audit Committee, is responsible for approving the selection of an audit firm and audit plan supporting the preparation of annual audited financial statements. [NVTA Bylaws – Article V. Section B.1.(g)]
- a. The Committee recently provided guidance to seek a contract renewal via a contract rider with PBMares LLP. The basis for the guidance was to ensure continuity of audit services, develop routine annual duplicate payment audits, and expeditiously obtain consulting services for the potential administration of Federal funds.
 - b. On February 10, 2022, a joint Request for Proposals (RFP) for financial auditing services was issued by Northern Virginia Transportation Commission (NVTC), Potomac and Rappahannock Transportation Commission (PRTC) and Virginia Railway Express (VRE) for a base period of three years beginning with FY2022, with options for two additional two-year periods. The RFP was issued in accordance with Section 2.2-4303 of the Virginia Procurement Act.
 - i. Six proposals were received and ranked by the technical evaluation team in accordance with the guidelines specified in the RFP.
 - ii. On April 22, 2022, VRE formalized a contract with PBMares LLP, which included a suitable rider clause.

3. **Fiscal Impact:** Within the expected scope of activities, the cost of audit services for FY2022 is not expected to exceed \$37,000 with a 3% increase per year in the subsequent years. This amount includes the base audit functions as priced in the attached fee proposal, and services based on an hourly rate for consulting and potential debt issuance activities. This amount is consistent with the FY2021 and FY2022 budgets.

Attachments:

- A. PBMares, LLP Non-Binding Audit Fee Proposal dated April 7, 2022
- B. Contract Award Notice

PBMARES, LLP

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY*

APRIL 7, 2022

NON-BINDING AUDIT FEE PROPOSAL:

Year Ending	Audit Fee
June 30, 2022	\$ 37,000
June 30, 2023	38,000
June 30, 2024	39,250
June 30, 2025	40,500
June 30, 2026	41,750
June 30, 2027	43,000
June 30, 2028	44,500

These fees includes all out-of-pocket travel costs and report preparation costs.

The fees above do not include the review of any POS or OS in conjunction with the issuance of debt or providing any "comfort letters."

*Procurement based on NVTC/PRTC/VRE RFP 22-01 "Financial Auditing Services"

Consulting as requested:	Hourly Rates
Partner	\$ 425
Senior Manager/Director	375
Manager	350
Supervisor	275
Senior	225
Staff	200
Administrative	150

Signed on behalf of PBMares, LLP: (Electronically)

Michael A Garber	Partner	4/7/22
Name	Title	Date



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

May 12, 2022

Mr. Michael Garber, Partner
 PBMares, LLP
 558 South Main Street
 Harrisonburg, VA 22801

Dear Mr. Garber;

The Northern Virginia Transportation Authority (NVTA) authorizes the award of a contract to PBMares, LLP to perform the financial statement audit work requested in NVTC/PRTC/VRE RFP 22-01 'Financial Auditing Services' and described in the Technical and Post Proposals dated March 10, 2022.

The following clarifications and modifications apply:

1. On May 12, 2022, the NVTA approved the acquisition of financial statement audit services via a contract rider for the three fiscal years 2022 through 2024 with options to extend for up to four additional years, in two-year increments.
2. Included by reference, PBMares LLP Non-Binding Audit Fee Proposal, dated April 7, 2022.
3. NVTA Project Manager is: Peggy Teal
 Assistant Finance Officer
 3040 Williams Drive, Suite 200
 Fairfax VA, 22031

This letter, together with NVTC RFP 22-01 and PBMares LLP's Technical Proposal and Price Proposal dated March 10, 2022, and the attachments and revisions noted above, provides the agreement to conduct the project under the specified terms and conditions. This letter also constitutes your notice to proceed.

If you concur, please sign both originals and return one copy to NVTA Project Manager, Peggy Teal. Please contact Mr. Longhi, NVTA Chief Financial Officer, with any questions.

Sincerely,

 Monica Backmon
 Chief Executive Officer

 Mr. Michael Garber
 Partner, PBMares, LLP

 Date