SUMMARY STATEMENT

ITEM NO. DRPA-14-097
SUBJECT: Selection of Independent Firm to Conduct a Yellow Book Management Audit

COMMITTEE: Audit

COMMITTEE MEETING DATE: July 30, 2014

BOARD ACTION DATE: August 20, 2014

PROPOSAL: That the Board authorizes staff to negotiate an Agreement with TransTech Management, Inc. (TransTech) in an amount not to exceed $311,370 to conduct an independent “Yellow Book” management audit of the Port Authority Transit Corp. (PATCO), a wholly owned subsidiary of the DRPA, functions as outlined in the Request For Proposal.

PURPOSE: To ensure that biannual management audits are conducted in accordance with the Authority’s Compact and Resolution DRPA-10-040.

The Auditor will be required to review the Authority’s Compact Legislation, Bylaws, and all applicable resolutions, policies, and procedures, and evaluate each subject Division to determine an optimal level of effectiveness and efficiency to achieve optimal levels of service and performance, while ensuring that the Authority is achieving maximum value from its operations.

BACKGROUND: The DRPA Compact provides: “Not less than once every five years the [DRPA] shall cause a management audit of its operational effectiveness and efficiency to be conducted by an independent consulting firm selected by the [DRPA]…. This audit is in addition to any other audit which the [DRPA] determines to conduct from time to time.”

In August 2010, the DRPA Board of Commissioners (“Board”) passed Resolution DRPA-10-040, which created an Audit Committee whose duties include overseeing an independent management audit of the Authority every two years. The Summary Statement to the Resolution explains, “The Authority desires to have additional oversight and audit procedures that will enhance accountability and transparency, and enable the Authority to more quickly identify issues that require the attention of the Board and/or management. By doing so, the Authority can better ensure that the Authority is
operating in the best interests of the Authority and the public it serves.”

TransTech Management, Inc. is an independent firm based in Eden, NC with significant experience with providing Yellow Book Audits to the public sector and a wide range of industries including transportation, ports, etc.

SUMMARY:

Amount: $311,370
Source of Funds: Revenue Fund/General Fund
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: Approx. 8 months
Other Parties Involved: N/A
RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate an Agreement with TransTech Management, Inc. in an amount not to exceed $311,370 to conduct an independent “Yellow Book” management audit of the Port Authority Transit Corp. (PATCO), a wholly owned subsidiary of the DRPA, functions as outlined in the Request For Proposal; and be it further

RESOLVED: The Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

| Amount:       | $311,370       |
| Source of Funds: | Revenue Fund/General Fund |
| Capital Project #: | N/A          |
| Operating Budget: | N/A            |
| Master Plan Status: | N/A            |
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