



(Board Copy)
Washington Metropolitan Area Transit Authority
**METRO ELECTRONIC ACTION
DOCUMENT**

IDENTIFICATION			
MEAD ID:	99449	ACTION:	Initiate & Award Transit Service Change
AWARD VALUE:	(Not yet awarded)	CONTRACT: (Proposed)	
FUND SOURCES: (View)	Operating Funds	CONTRACTOR:	
LAST MODIFIED:	04/11/2006		

DESCRIPTION	
SUBJECT:	
PURPOSE:	Exercise the Option year One with KPMG, LLP under contract #CO3026 to provide external audit and management type audit services for the period beginning June 1,2006.
TRANSIT SERVICE CHANGE CATEGORIES	

ORIGINATION					
INITIATOR			DEPARTMENTAL APPROVAL		
JAMES STEWART on 04/11/2006			Approved by STEWART , JAMES 04/12/2006		
PHONE:	202-962-1008	OFFICE:	AUDT	DEPT:	Secretary and Chief of St

COORDINATION (ROUTING)		
OFFICE	NAME	ACTION/DATE
(1120)	Moneme, Emeka	Re-assigned 04/12/2006
AUDT (7210)	STEWART, JAMES	Approved 04/12/2006
CFO1 (2110)	WOODRUFF, HARRY	Approved 04/12/2006
COUN (1410)	O'KEEFFE, CAROL	Approved 04/12/2006

FINAL APPROVALS	
OFFICE	NAME/ACTION
BEMR	Emeka Moneme (Not Yet Approved)
BEMR	Approved for by Emeka Moneme on 04/12/2006
GM	Approved for GMGR by GMGR CEO on 04/13/2006
BOARD	BOARD WMATA (Not Yet Approved)



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NARRATIVE

Discussion

Resolution #83-3 approved January 6, 1983 established as policy that the External Audit is the direct responsibility of the Board of Directors and that the external auditor will be selected by the Board.

The Contract #CO3026 provides for the services of KPMG, LLP to conduct independent annual audits of WMATA's financial records, accounts and statements for Fiscal Years 2003-2006. It also provides for two one-year options. In addition, the contract makes available services of a management-type nature to include examining, analyzing, and making recommendations about activities, functions, procedures and practices as the Board may choose to authorize. The financial audit services for FY 2007 are covered under the Option Year One of this contract.

Alternative

There is no alternative to an annual external audit which is required under the Compact, OMB Circular A-133, FTA Circular 9030.1 and FTA NTD Reporting Manual. Additional services are established by Board of Directors' Resolution 83-3 dated January 6, 1983.

Impact on Funding

Budget: Operating Budget, Fiscal 2007

Office: Office of General Manager

Account: Professional and Technical Services - Accounting and Audit Consultants

Account Number 5030304 Office Code 1100 Mode 4 Function 040

The contract amount for the option year one for FY 2007 is \$282,650 comprising an amount for the financial portion of the contract of \$205,100 and a management-type audit amount of \$77,550 on an as-needed basis.

This action: \$205,100

Remarks: This is a multi-year contract for contract years June 1, 2003 through May 31, 2006 with provision for two one-year options. Option year two is subject to availability of funds in the FY 2008 budget.

Prior Approvals

On May 23, 2003, the Board of Directors approved the award of the contract to KPMG, LLP for FYs 2003-2005 with options for an additional two years.

Equal Employment Opportunity

The contractor will be required to comply with Executive Order 11246, Revised Order #4.

DBE Requirements

Pursuant to WMATA Board Resolution #2002-39, there is no DBE goal on operationally-funded contracts. However, historically the External Audit contracts have had a DBE participation of 36% and this procurement will also have this level of DBE participation.

Recommendation

The Board of Directors exercise the option to retain KPMG, LLP for the period June 1, 2006 to May 30, 2007 for financial audit services FY 2007 in the amount of \$205,100.