



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

REFER TO FILE: **AE-3**

October 1, 2015

REQUEST FOR PROPOSALS – ADDENDUM 1 AS-NEEDED SOLID WASTE AND FRANCHISE FEES VERIFICATION SERVICES (2015-AN021)

Please take note of the following revisions to the Request for Proposals (RFP). (Please note that **bold** text has been added and ~~striketrough~~ has been deleted from the RFP.)

Section A is the Addendum and Section B is the Questions and Answers.

Please note that the deadline to submit the proposals has been extended to **Wednesday, October 7, 2015, at 5:30 p.m.**

A. Addendum:

Form PW-2 (Schedule of Prices), Part I (Required Forms), of the RFP is deleted in its entirety and replaced with a revised form entitled Form PW-2.1 (Schedule of Prices). Please use the revised Form PW-2.1 (Schedule of Prices), attached hereto as Enclosure A, in your proposal.

B. Questions and Answers

The following answers are in response to the request for information or clarification. Some questions were submitted by attendees of the Mandatory Proposers' Conference for the As-Needed Solid Waste and Franchise Fees Verification Services (2015-AN021). Questions presented in this Addendum represent the questions submitted by the Proposers in the form and context submitted.

1. **Question:** We are a small consulting firm that has significant relevant experience and have an ongoing working (teaming) relationship with another small consulting firm that has similar relevant experience. Given the significant level of effort necessary to successfully complete this engagement our two firms would like to form a joint venture for this engagement. Is that arrangement acceptable to the County?

Response: A joint venture is an acceptable form of business entity as indicated in the Form PW-1, Verification of Proposals. However, simply claiming a joint venture by having a primary and secondary Contractor is not acceptable and maybe considered subcontracting, which is prohibited with the exception of the service of a Certified Public Accountant (CPA). Therefore, you must provide proper corporate documents validating the legitimacy of a joint venture.

2. **Question:** Alternatively, would the County reconsider its requirement that "Subcontractors are allowed only for CPA work", and allow us to propose on this engagement through a traditional primary and subcontractor teaming arrangement?

Response: No. The Department of Public Works will not reconsider allowing Subcontractors for any work other than the exception listed in the RFP.

3. **Question:** Has the verification services been performed previously? If so, who was the contractor performing those services.

Response: Yes. The previous Contractors who performed verification services on behalf of the Department of Public Works were Hill International, Inc., and TCM Group.

4. **Question:** The RFP indicates that a CPA firm can be a subcontractor on the proposal. What are the nature of the services the CPA firm would provide that caused the County to identify a CPA firm as a subcontractor.

Response: The nature of services is detailed in Exhibit A, Scope of Work, Section F.5.a. The CPA will verify the reviews performed by the Contractor as an independent party if the County determines there is such need. The County did not want to limit proposals solely to firms with CPA's on staff, and thus the services of a CPA is allowed to be subcontracted.

5. **Question:** Can you provide a copy of a previous report for the 3 types of services that have been performed.

Response: Please see attached, Enclosure B, findings reports for the Solid Waste Management Fee and the Residential Franchise Fee are samples for reference only. The Commercial Franchise Fee findings report is currently not available. The structure of the report will be determined once the Contract is awarded.

6. **Question:** If a CPA firm has provided similar services in the form of agreed-upon procedures, is the County open to conducting these engagements as agreed-upon procedures engagements?

Response: The County is open to consider conducting these reviews in the agreed-upon procedures as long as these agreed-upon procedures meet all requirements described in the RFP. The County has the final discretion on any agreed-upon procedures and the County's decision shall control and be binding.

7. **Question:** In the Scope of Work, paragraph F.1.a, it sounds like the County is going to setup the visit dates and notify the Contractor of the date. It would be more efficient if the County notified the operators/franchisees that it has contracted the review to a firm and that a firm would be contacting them to schedule a visit. Please clarify the process.

Response: The County will maintain the existing practice of scheduling reviews. The below scheduling process is a general overview of the process per the Scope of Work and does not include the finite details in scheduling the reviews and therefore, the process is subject to change at the sole discretion of the County. The scheduling process is as follows:

1. The County will determine the operator/franchisee to be reviewed.
2. The County will send a notification letter to the operator/franchisee with a cc to the Contractor. The letter will have a review date and will notify the operator/franchisee that the Contractor will coordinate to confirm the review date.
3. The Contractor will coordinate and finalize the review date with the operator/franchisee and the County.
4. The Contractor will send an electronic meeting invite to the County and operator/franchisee once the review date and location have been finalized.

8. **Question:** Are Proposers required to have an LA County business license to report on Form PW-1? If not, what should be included in the "Business License No." field on Form PW-1?

Response: A Los Angeles County business license is not required. However, the proposer must include any license and/or permit that are required in order for the firm to conduct business.

9. **Question:** Page 2 of Form PW-2, underneath "As-Needed Additional Work" states "(Per Exhibit A – Scope of Work, Section E, Item 5)". We believe this is meant to state "Section F" not "Section E". Can you please confirm this correction?

Response: Please see addendum above and attached Enclosure A.

10. **Question:** Regarding Form PW-4 "Contractors Industrial Safety Record", our consulting firm is not an industrial contractor, and thus does not have industrial safety record reporting requirements. How should we address completion of Form PW-4? We assume we should complete the form based on our safety record, but we want to recognize that this is not an "industrial safety record".

Response: All proposers are required to complete this form. If your firm has any incidents of injury, death, or lost work hours, it must be reported in the PW-4.

11. **Question:** If we are not requesting a Local Small Business Enterprise Preference, must we still complete Form PW-9? We assume we should, but that we should not check either box in Section I. of the form.

Response: Yes. All proposers are required to complete this form. If your firm is not requesting a Local Small Business Enterprise Preference, the check box on the top of the page should not be checked.

12. **Question:** Part 1, Section 2 of the RFP, subsection A.10 (Insurance) on page 1.13 states that Form PW-16 must be completed, signed and provided in Section 10 of the proposal. Subsection A.11 (Forms) also requires this form in Section 11 of the proposal. Does the County want this form duplicated twice in the proposal, or will it suffice to include the completed Insurance Form PW-16 with the complete list of forms (and also separately as indicated by A.10)?

Response: The completion and submission of form PW-16 is sufficient.

13. **Question:** Regarding "Proposal Submission", page 1.15 – if our proposal does not include information that would require redacting, should we submit only the one (1) required electronic PDF of the full proposal? At present we do not believe we have any information that would require redacting.

Response: Please submit two original sets as instructed. The information may be the same, but each proposal should be labeled appropriately as either Original or Redacted, if applicable. If there is nothing to redact, identify the second copy as "Copy".

14. **Question:** Exhibit A, Section F.5 (As-Needed Additional Work) on page A.13 describes As-Needed Additional Work for which we are to submit hourly costs in Form PW-2. Are the estimated hours in form PW-2 estimated hours for each year of this contract, or are they meant to represent estimated hours for each "As-Needed Engagement" such as reviewing a Findings Report or providing litigation support?

Response: The estimated hours in Form PW-2 are estimated hourly costs for each year of the Contract.

15. **Question:** Does the County intend to award a single contract under this RFP, or is there the possibility that more than one contract for services may be awarded?

Response: This Contract will be awarded to one Contractor.

16. **Question:** Does the County anticipate that any of the work provided per the terms of this RFP will qualify as "sensitive" requiring background checks/fingerprinting as per page 1.7 and discussed elsewhere in the RFP?

Response: As stated in the RFP, Exhibit B, page B.17, the County may request any of the Contractor's staff to comply with this request at any time during the term of the Contract and has sole discretion whether any work performed is deemed "sensitive".

17. **Question:** Does the County require any specific licenses or certifications for this work, with the exception of the As-Needed CPA?

Response: No. The minimum requirements must be met as stated in the Request for Proposal.

18. **Question:** Can you clarify the discrepancy in the number of facilities, haulers, and franchisees stated on page A.2 of the Scope of Work Section B.2 and the oral statement from staff during the Mandatory Proposers' Conference?

Response: The number of facilities, haulers, and franchisees stated on page A.2, Scope of Work, Section B.2, were the most accurate numbers at the time of writing. The number of facilities, haulers, and franchisees is not fixed and will vary over time.

19. **Question:** Can the Contractor request adjustments to the unit prices or the final contract amount once the contract is awarded?

Response: No. The unit prices and the final Contract amount are not negotiable once the Contract is awarded. Please review Part 1, Section 3.G, of the RFP.

20. **Question:** In the Schedule of Price (Form PW-2) under Tasks 1 and 2, what if the amount of labor varies from facility to facility in conducting the reviews?

Response: We understand some reviews might require more labor than others. Your proposed unit prices per audit should be based on estimated costs for an average review. Unit prices are considered a fixed flat rate for Tasks 1 and 2, regardless of amount of labor involved.

21. **Question:** Do the reviews for Franchise Fee include the County's Garbage Disposal Districts (GDDs)?

Response: No. This Contract does not include the County's Garbage Disposal Districts (GDDs).

22. **Question:** In the Schedule of Prices (Form PW-2), are all the "Annual Estimated # of Units" just an estimated number?

Response: All of the "Annual Estimated No. of Units" listed in the Schedule of Prices Form PW-2 are estimates and are subject to change. The purpose of these estimates is to give all of the proposers a level playing field in terms of their "Total Proposed Annual Price."

23. **Question:** What are the auditing standards for the tasks of this contract? Is it based on the Generally Accepted Auditing Standards (GAAS)?

Response: This Contract is not an audit of the operators'/franchisees' financial statements. The tasks involved in this Contract are a review of the accuracy of the supporting information used in determining the fees paid to the County. The objective is to ensure that the appropriate fees are paid in accordance with the Los Angeles County Code and therefore does not include the obligation to comply with auditing standards such as Generally Accepted Auditing Standards (GAAS).

If you have questions concerning the above information, please contact Mr. Eric Fong at (626) 458-4077, Monday through Thursday, 7 a.m. to 5 p.m.

Very truly yours,

GAIL FARBER
Director of Public Work

A handwritten signature in black ink, appearing to read "E. Manor" with a stylized flourish extending to the right. Below the signature, the word "for" is written in a small, cursive script.

JOSE M. QUEVEDO
Assistant Deputy Director
Architectural Engineering Division

EF

FORM PW-2.1

SCHEDULE OF PRICES

SOLID WASTE AND FRANCHISE FEES VERIFICATION SERVICES

The undersigned Proposer offers to perform the work described in the Request for Proposals (RFP) for the following price(s). The Proposer rate(s) (hourly, monthly, etc.) shall include all administrative costs, labor, supervision, overtime, materials, transportation, taxes, equipment, and supplies unless stated otherwise in the RFP. It is understood and agreed that the quantities, if any, in the Schedule of Prices are only estimates, and the unit prices quoted, if any, will apply to the actual quantities, whatever they may be.

DESCRIPTION		Proposed Price		
Task 1 & 2: Work Location Visit, Data Collection, Analysis, Review, Findings Reports (Per Exhibit A - Scope of Work, Section F, Task 1 & 2)		Unit Price	Annual Estimated # of Units	Annual Proposed Price (Unit Price x Estimate # of Units = Annual Proposed Price)
a. Solid Waste Management Fee	Task 1: Work Location Visit, Data Collection, Analysis, Review, and Draft Findings Report	\$ Per Audit	36	\$
	Task 2: Final Findings Report	\$ Per Audit	36	\$
b. Residential Franchise Fee and Disposal Tonnage	Task 1: Work Location Visit, Data Collection, Analysis, Review, and Draft Findings Report	\$ Per Audit	12	\$
	Task 2: Final Findings Report	\$ Per Audit	12	\$
c. Commercial Franchise Fee and Disposal Tonnage	Task 1: Work Location Visit, Data Collection, Analysis, Review, and Draft Findings Report	\$ Per Audit	24	\$
	Task 2: Final Findings Report	\$ Per Audit	24	\$
SUBTOTAL TASK 1 & 2				\$
Task 3 & 4: As-Needed Status Updates and Meetings (Per Exhibit A - Scope of Work, Section F, Task 3 & 4)		Unit Price	Annual Estimated # of Units	Annual Proposed Price (Unit Price x Estimate # of Units = Annual Proposed Price)
a. As-Needed Status Update		\$ Each	12	\$
b. Meetings with Public Works (includes Meeting Minutes)	Kick-off Meeting & As-Needed Meetings	\$ Each	12	\$
SUBTOTAL TASK 3 & 4				\$

FORM PW-2.1

As-Needed Additional Work (Per Exhibit A - Scope of Work, Section F, Item 5)		Unit Price	Annual Estimated # of Units	Annual Proposed Price (Unit Price x Estimate # of Units = Annual Proposed Price)
a. As-Needed Certified Public Accountant	Findings Report CPA review and Signatures	\$ Per Hour	40	\$
b. Technical/Professional Staff	Analysts, Accountants	\$ Per Hour	40	\$
c. Support Staff	Assistants, Secretaries	\$ Per Hour	40	\$
SUBTOTAL AS-NEEDED ADDITIONAL WORK				\$
TOTAL PROPOSED ANNUAL PRICE (Total of Subtotal Task 1 & 2 plus Subtotal Task 3 & 4 plus Subtotal As-Needed Additional Work)				\$

LEGAL NAME OF PROPOSER		
SIGNATURE OF PERSON AUTHORIZED TO SUBMIT PROPOSAL		
TITLE OF AUTHORIZED PERSON		
DATE	STATE CONTRACTOR'S LICENSE NUMBER	LICENSE TYPE
PROPOSER'S ADDRESS:		
PHONE	FACSIMILE	E-MAIL

P:\aepub\lService Contracts\CONTRACT\Erik M\Fees Verification Services\2015\01 RFP\4.2 PW2.1.doc

(CONTRACTOR'S LETTER HEAD)

Date: _____

Ms. Joyce Fang
 Environmental Programs Division
 County of Los Angeles – Department of Public Works
 900 South Fremont Avenue, Annex, 3rd Floor
 Alhambra, California 91803

Example of a
 Findings Report for
 Solid Waste
 Management Fee
 Information
 Verification.

**Information Verification Findings
 Review of Solid Waste Management Fee
 (Name of Facility): _____**

Dear Ms. Fang:

We have reviewed the monthly Solid Waste Management Fees paid by (Name of Facility) for the thirty-six month period beginning (Date) and ending (Date). (Contractor's company) team members visited the Facility on Tuesday, (visit date), and concluded our field review throughout the month of (month/year).

This report describes the Facility, the objective of our review, the Facility's record-keeping practices, the procedures we performed, their limitations, and our findings.

The Facility

During our on-site review we interviewed the Facility's contact person(s), (name of contact), (title of contact), and gained an understanding of their internal tracking procedures and operations, as summarized below:

- The Facility is also known as _____.
- The Facility is owned by _____.
- The Facility is operated by _____.
- The Facility is located at _____.
- The Facility only accepts various inert materials from commercial haulers and residents.
- The Facility's verified permit number is _____.
- The Facility's was established in _____ (date).
- The Facility has a maximum permitted throughput of _____ waste tons per day.
- The Facility utilizes truck load sizes to account for the total cubic yards of material
- During the review period the facility accepted inert materials such as dirt, concrete, asphalt, rocks, tiles, bricks, and stone. The inert materials were crushed and mixed and converted to construction aggregates and used by the facility for roadway and cover, and/or sold to the public.

(CONTRACTOR'S LETTER HEAD)

Ms. Joyce Fang

Page 2 of 7

Review Objective

The objective of our review was to evaluate the accuracy of the Solid Waste Management Fees paid for by each disposal site, transfer/processing station, or waste exporter pursuant to Los Angeles County Code Chapter 20.88 – Solid Waste Management Fee, which requires all disposal site, transfer/processing station, or waste exporter in the County of Los Angeles to remit a fee based upon the tons or cubic yards of solid waste received, collected, conveyed, or hauled during a calendar month. The solid waste management fee shall be \$0.86 per ton of solid waste prior to January 1st, 2009, and \$1.50 per ton of solid waste beginning January 1st, 2009. In situations where the director determines that solid waste cannot be measured in tons, solid waste shall be measured in cubic yards and the solid waste management fee shall be \$0.52 per cubic yard. For all inert waste landfills, the solid waste management fee shall be \$0.52 per cubic yard of inert waste.

The Facility's Record Keeping Practices

The Facility utilizes a custom software made specifically for this facility by the _____ Company, to reconcile, balance, and keep track of tonnage, and for record keeping purposes.

Procedures and Limitations*Procedures*

In our review, we performed the following procedures:

- a. Interviewed (facility's staff) and gained an understanding of its operations and internal Cubic Yards or Tonnage tracking procedures
 - The contact person(s) for (facility name) during our review was (name of contact), (title of contact), his/her telephone number is (phone number), and his/her email is (email address).
- b. Reviewed the Facility's monthly Solid Waste Management Fee Invoices for completeness and mathematical accuracy
 - Reviewed and verified the accuracy of the Cubic Yards (or Tonnage) reported on the Los Angeles County invoices
 - Reviewed and verified the mathematical accuracy of the fees indicated on the Los Angeles County invoices
- c. Verified the number of reported solid waste Cubic Yards (or Tonnage) on the Solid Waste Management Fee invoices to the monthly totals in (Facility's) internal Cubic Yards (or Tonnage) tracking system
 - Reviewed and verified the accuracy of the inbound Cubic Yards or Tonnage
 - Reviewed and verified the mathematical accuracy of the invoices

(CONTRACTOR'S LETTER HEAD)

Ms. Joyce Fang

Page 3 of 7

- Performed false exclusion testing of the Facility's solid waste daily transactions, by verifying that all transactions were included and not excluded between daily transactions, and daily and monthly reports
 - The following represents a list of dates randomly selected for this review:
 - 2011 – August 1
 - 2012 – May 8; August 2; December 5
 - 2013 – February 7; April 9; December 11
 - 2014 – January 1; May 14
- e. Randomly selected a representative sample of weight tickets and traced them to the totals in the Solid Waste Management Fee Invoices
 - The following represents a list of dates randomly selected for this review:
 - 2011 – August 16
 - 2012 – May 23; August 22; December 18
 - 2013 – February 21; April 23; December 18
 - 2014 – January 15, May 21
 - Reviewed and verified that the weight tickets are in sequential order
 - Reviewed the accuracy of the information contained on the weight tickets
 - Reviewed the mathematical accuracy of the day's total Cubic Yards (or Tonnage) and compared this with (Facility's) Landfill's totals

Limitations

Our findings below are based upon these procedures described above. Our procedures are intended to meet the County's objectives at a minimum cost. However, they do not constitute an audit in accordance with auditing standards generally accepted in the United States of America. Further, had we performed additional procedures, other matters might have come to our attention that would have been reported to you, and those matters may have been material.

This report is intended solely for the use of the County of Los Angeles Department of Public Works and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Findings

In our review we found that:

- The Facility is current in reporting its Cubic Yards (or Tonnage) and the applicable Solid Waste Management Fees for the thirty-six month period beginning (start date) and ending (end date). The Facility's reported Cubic Yards or Tonnage and Solid Waste Management Fees are shown below in Tables 1 and 2.

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Ms. Joyce Fang

Page 4 of 7

- In our review we found that for the period beginning (start date) and ending (end date), the facility underpaid (or overpaid) their Solid Waste Management fees to Los Angeles County in the amount of \$____(____ Cubic Yards or Tons). Breakdown per year is as follows;
- In (year), the Facility shows an under (or over) payment in their Solid Waste Management fees to Los Angeles County in the amount of \$____(____ Cubic Yards or Tons).
 - In (year), the Facility shows an under (or over) payment in their Solid Waste Management fees to Los Angeles County in the amount of \$____(____ Cubic Yards).
 - In (year), the Facility paid their fees in full with a zero balance.
 - In (year), the Facility paid their fees in full with a zero balance.

In our review we found that the facility tracks their material in cubic yards (or tonnage), based on total cubic yards per truck loads or total tonnage. The following represent the average yards per loads (or average tonnage) used the facility paid the Solid Waste Management Fees based on total Cubic Yards (or Tonnage);

Truck Type	Yards/Load
Pickup	
Stake beds & Super Duty Trucks	
Super Duty Extra	
Flatbed Trailers	
Bobtail	
10-Wheel	
Semi	
Super 10	
Truck & Pup	
Bottom Dump	

- In our review we found that the facility accepted inert materials such as rock, dirt, stone, sand, brick, broken asphalt clay brick, and clay tile. The inert materials were crushed and mixed and converted to construction aggregates and bases, and used by the facility for roadway and daily cover, and/or sold to the public as mixed base material for construction.
- In our review we found that the facility landfilled all material that was not re-used or recycled, and was identified in the monthly reports as "Landfilled Material." The facility paid their Solid Waste Management Fees based on the total Cubic Yards (or Tonnage) of material that was landfilled.
- In our review we found that the facility re-used and recycled most of the inert material inert, and was identified in the monthly reports as "Cover Material, and CMB

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Ms. Joyce Fang

Page 5 of 7

RAW Material," The Cubic Yards of re-used/recycled material was not subject to the Solid Waste Management Fee, and was not accounted for in the Monthly Solid Waste Management Fee invoices or payments.

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Ms. Joyce Fang

Page 6 of 7

**Summary of Reported and Actual Verified
Solid Waste Management Fee and Cubic Yards or Tonnage Allocations**

Table 1:

Solid Waste Cubic Yards			
Year	Verified Inbound Cubic Yards Landfilled at (facility) Landfill Based on Supporting Documentation	Cubic Yards Reported to Los Angeles County subject to SWMF Based on Monthly Invoices	Variance Total Reported to Los Angeles County - Verified Total Cubic Yards Based on Supporting Documents
(year) July - Aug	(cubic yards or tonnage)	(cubic yards or tonnage)	(cubic yards or tonnage)
(year) Jan - Dec	(cubic yards or tonnage)	(cubic yards or tonnage)	(cubic yards or tonnage)
(year) Jan - Dec	(cubic yards or tonnage)	(cubic yards or tonnage)	(cubic yards or tonnage)
(year) Jan - June	(cubic yards or tonnage)	(cubic yards or tonnage)	(cubic yards or tonnage)
Total	(cubic yards or tonnage)	(cubic yards or tonnage)	(cubic yards or tonnage)

Please note: Cubic Yards or Tonnage used in Tables 1 and 2 are based on the supporting documentation provided by the Facility

Table 2:

Solid Waste Fees			
Year	Reported Fees Paid to Los Angeles County @ \$0.52 /Cubic Yard Based on Payment Schedule Provided by The County of Los Angeles	Fees Due to Los Angeles County Based on Verified Cubic Yards @ \$0.52 /Cubic Yard Based on Supporting Documents	Overpayment / (Underpayment) Reported Fees - Fees Based on Verified Cubic Yards or Tonnage
(year) July - Aug	\$	\$	\$
(year) Jan - Dec	\$	\$	\$
(year) Jan - Dec	\$	\$	\$
(year) Jan - June	\$	\$	\$
Total	\$	\$	\$

Please note: Cubic Yards or Tonnage used in Tables 1 and 2 are based on the supporting documentation provided by the Facility

(CONTRACTOR'S LETTER HEAD)

Ms. Joyce Fang

Page 7 of 7

(Contractor's Company) Recommendations:

(Contractor's company) found that from (start date) and ending (end date), the facility underpaid (or overpaid) their Solid Waste Management fees to Los Angeles County in the amount of \$_____ (____ Cubic Yards).

(Name and Signature)
Project Manager

As-needed CPA's Signature
License Number:
License Expiration Date:

* * *

FACILITY NAME: _____

Solid Waste Management Fee Review for the Period of _____

FEE & Cubic Yards VERIFICATION

SUM-E-X															AK/0.52		AL-AH		AH/0.52		AK-AL	
INBOUND LANDFILLED MATERIAL AND RECYCABLE MATERIAL															TOTALS							
Year	Month	Total Inbound Cubic Yards To Landfill		Total Inbound Cubic Yards To Landfill		Total Inbound Cubic Yards To Landfill		Verified Inbound Cubic Yards Landfilled at Landfill	Cubic Yards Reported to Los Angeles County subject to SWMF	Variance Total Reported to Los Angeles County	Reported Fees Paid to Los Angeles County @ \$0.52 /Cubic Yard	Fees Due to Los Angeles County Based on Verified Cubic Yards @ \$0.52 /Cubic Yard	Overpayment / (Underpayment)									
		Cover Material Cubics Yards	CMB RAW Material Cubic Yards	Cover Material Cubics Yards	CMB RAW Material Cubic Yards	Cover Material Cubics Yards	CMB RAW Material Cubic Yards							Reported Fees	Fees Based on Verified Cubic Yards							
2010	July																					
	August																					
	September																					
	October																					
	November																					
	December																					
	Sub-Total					0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00									
2011	January																					
	February																					
	March																					
	April																					
	May																					
	June																					
	July																					
	August																					
	September																					
	October																					
	November																					
	December																					
	Sub-Total					0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00									
2012	January																					
	February																					
	March																					
	April																					
	May																					
	June																					
	July																					
	August																					
	September																					
	October																					
	November																					
	December																					
	Sub-Total					0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00									
2013	January																					
	February																					
	March																					
	April																					
	May																					
	June																					
	Sub-Total					0.00	0.00	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00									

Example of a
Findings Report for
Residential Franchise
Fee Information
Verification.

Date

Mr. Patrick Kwong
Environmental Programs Division
County of Los Angeles – Department of Public Works
900 South Fremont Avenue, Annex, 3rd Floor
Alhambra, California 91803

**Information Verification Findings Report
Franchise Fee Review
[Name of Franchise Area] Exclusive Residential Franchise
[Waste Hauler's Name]**

Dear Mr. Kwong:

We have reviewed the monthly Franchise Fees paid by [Waster Hauler's Name] for the [Name of Franchise Area] Exclusive Residential Franchise, for the period [beginning date] and [ending date]. [Contractor's Name] visited the [Waste Hauler Name] on [Meeting Date].

This report describes the Waste Hauler, the objective of our review, the Waste Hauler's record-keeping practices, the procedures we performed, their limitations, and our findings.

The Waste Hauler

During our on-site review we interviewed the Waste Hauler's contact person [Name of Contact Person] and gained an understanding of their internal tracking procedures and operations, as summarized below:

- The Waste Hauler for the [Name of Franchise Are] Exclusive Residential Franchise is [Franchisee Name]. The review was conducted at their main office, which is located at [Franchisee Office Address].
- The Waste Hauler provides automated residential waste collection services. Standard collection services include a weekly three cart pick up of mixed solid waste, recyclables, and green waste. The waste hauler also provides additional services, such as: [list additional services provided]
- The Waste Hauler uses [list the number and types of trucks used in this franchise area].
- The Waste Hauler services approximately [number of customer] customers in the [Name of Franchise Area] Exclusive Residential Franchise.

Mr. Patrick Kwong
Page 2 of 6

Review Objective

The objective of our review was to evaluate the accuracy of the Franchise Fees paid by the Waste Hauler pursuant to Los Angeles County Code section 20.70, which requires all waste haulers that enter into a residential franchise agreement to provide trash collection services in various service areas in the County of Los Angeles unincorporated areas to remit a 10% franchise fee of the total gross receipts collected in the franchise service area to the County of Los Angeles on a monthly basis.

The Waste Hauler's Record Keeping Practices

The Waste Hauler utilizes [Name of Software] software as their tracking and accounting system for the franchise service area and for record keeping purposes. Through this software the accountant is able to run queries for specific information and the information is presented on an Excel spreadsheet.

Procedures and Limitations

Procedures

In conducting our review, we followed the procedures listed below:

- a. Interviewed the Waste hauler's staff and gained an understanding of its operations and internal tracking and accounting procedures
 - The contact persons for -----during our review were:
 -
- b. Reviewed and verified Franchise Service Area Map, and Waste Hauler's operating truck routes for accuracy in record keeping and reference.
- c. Reviewed the Waste Hauler's Monthly Total Customers List provided on the Monthly Summary Reports for completeness and accuracy, and compared to the monthly Total Customers List reported on the Monthly Invoices.
 - Reviewed and verified the variance between monthly totals per quarter.
- d. Reviewed the Waste Hauler's Monthly Gross Receipts and Franchise Fee provided on the Monthly Summary Reports for completeness and accuracy, and compared to the Monthly Gross Receipts and Franchise Fee reported on the Monthly Invoices.
 - Reviewed and verified the variance between monthly totals per quarter.
- e. Randomly selected a group of customer accounts and reviewed customer information and historical payments made.

Mr. Patrick Kwong
Page 3 of 6

- The customer information was referenced and compared with selected Monthly Summary Reports provided.
- The customer payments were compared and verified with payment records reported on the provided Gross Receipts included in the Monthly Summary Reports.

Findings

Based on our review, we conclude that :

- The Waste Hauler is current in reporting its applicable monthly gross receipts and franchise fees for the period [beginning date] through [ending date]. The Waste Hauler's summary of total customer's list, monthly gross receipts, quarterly gross receipts, and Franchise Fees paid are described below and shown on Table 1.

Customer List Totals

- In our review, we found that for the period [beginning date] through [ending date], the Waste Hauler's Monthly Summary Reports provided a total customers list for the entire review period.
- In our review, we found that for the period [beginning date] through [ending date], the Waste Hauler provided total monthly customers from [beginning date] through [ending date] on their Franchise Fee Monthly Invoice submittals. Since August 2010, the County of Los Angeles modified the Franchise Fee Monthly Invoice to include a line item for total customers; the waste hauler has submitted the total since then.
- [Waste Hauler Name] used the total average number of customer of [number of customers] for the months of [beginning date] through [ending date]. This total number was used as a basis for estimating the total estimated Franchise Fee Due.
- In our review, we found that the entire group of randomly selected customer accounts information and payment history were verified to be accurately represented and accounted for in the Monthly Summary Reports.

Franchise Fee Totals

- In our review we found that for the period [beginning date] through [ending date], the Waste Hauler's Monthly Summary Reports provided a total Gross Receipts for the entire review period.

Mr. Patrick Kwong
Page 4 of 6

- In our review we found that for the for the period [beginning date] through [ending date], the Waste Hauler's Monthly Invoices provided a total Gross Receipts and Franchise Fees for the entire review period. The total Gross Receipts and Franchise Fees on the Monthly Invoices was compared to the Waste Hauler's Gross Receipts included in the Monthly Summary Reports. For the review period [beginning date] through [ending date], the Waste Hauler underpaid (or overpaid) their Franchise Fees to Los Angeles County in the amount of [amount of over/underpayment]. Breakdown per year is as follows;

*** Provide yearly ending balance***

Mr. Patrick Kwong
Page 5 of 6

**Summary of Reported and Verified
Franchise Customers List and Franchise Fee**

Table 1:

FRANCHISE FEES			
	FRANCHISE FEE REPORTED		VARIANCES
PERIOD (12-Month Calendar Year)	<u>Total Quarterly Franchise Fees PAID by Waste Hauler</u> QUARTERLLY FRANCHISE FEE <u>Based on Waste Hauler Monthly Summary Report</u>	<u>Total Quarterly Franchise Fees PAID by Waste Hauler</u> QUARTERLLY FRANCHISE FEE <u>Based on Monthly Invoice</u>	<u>Variances</u> <u>Total Quarterly Fees paid based on Monthly Invocies</u> - <u>Total Franchise Fees Due based on Monthly Reports Gross Receipts</u>

Please note: *Tonnage used in Table 1 is based on the supporting documentation provided by the Waste Hauler*

Mr. Patrick Kwong
Page 6 of 6

Recommendations:

1. [Contractor's Name] concludes that for the period [beginning date] through [ending date], the Waste Hauler under paid (or overpaid) their Franchise Fees to the County of Los Angeles in the amount of-----. This was based on the monthly summary reports provided and the monthly invoices paid.
2. ***Other Recommendations***

Project Manager

As-needed CPA's Signature
License Number:
License Expiration Date:

* * *

**FRANCHISE FEE:
WASTE HAULER NAME:
Review for the Period of**

Year	Month	ESTIMATED FRANCHISE FEE DUE PER TOTAL CUSTOMERS AND FRANCHISE FEE RATE				FRANCHISE FEE PER TOTAL MONTHLY GROSS RECEIPTS			TOTAL FRANCHISE FEES PAID PER LA COUNTY RECORDS		VARIANCES
		Total Monthly Customers	Total Quarterly Customers	Per Franchise Monthly Summary Report Customer Revenue per Customer List (ESTIMATED)	10% Franchise Fee Due to the County (ESTIMATED)	Total Monthly Gross Receipts by Waste Hauler MONTHLY GROSS RECEIPTS Based on Monthly Summary Report	Total Monthly Gross Receipts by Waste Hauler MONTHLY FRANCHISE FEE Based on Monthly Summary Report	Total Quarterly Franchise Fees PAID by Waste Hauler	Total Monthly Franchise Fees PAID by Waste Hauler MONTHLY FRANCHISE FEE Based on Monthly Payment Record	Total Quarterly Franchise Fees PAID by Waste Hauler QUARTERLY FRANCHISE FEE Based on LA County Payment Record	
2007	January										Variances Total Quarterly Fees paid based on Monthly Invoices - Total Franchise Fees Due Based on Monthly Reports Gross Receipts
	February										
	March										
	April										
	May										
	June										
	July										
	August										
	September										
	October										
	November										
	December										
	Sub-Total										
2008	January										
	February										
	March										
	April										
	May										
	June										
	July										
	August										
	September										
	October										
	November										
	December										
	Sub-Total										
2009	January										
	February										
	March										
	April										
	May										
	June										
	July										
	August										
	September										
	October										
	November										
	December										
	Sub-Total										
2010	January										
	February										
	March										
	April										
	May										
	June										
	July										
	August										
	September										
	October										
	November										
	December										
	Sub-Total										
Total											

Average Number of Customers=

FRANCHISE FEES			
	FRANCHISE FEE REPORTED		VARIANCES
PERIOD 12- Month Calendar Year	<u>Total Quarterly Franchise Fees PAID by Waste Hauler</u>	<u>Total Quarterly Franchise Fees PAID by Waste Hauler</u>	<u>Variances</u>
	QUARTERLLY FRANCHISE FEE	QUARTERLLY FRANCHISE FEE	<u>Total Quarterly Fees paid based on Monthly Invocies</u>
	<u>Based on Waste Hauler Monthly Summary Report</u>	<u>Based on Monthly Invoice</u>	-
			<u>Total Franchise Fees Due based on Monthly Reports Gross Receipts</u>

FRANCHISE FEE:
WASTE HAULER NAME:
Review for the Period of

		FRANCHISE FEES PER TOTAL		VARIANCES
Y e a r	Month	Total Monthly Gross Receipts by Waste Hauler MONTHLY FRANCHISE FEE Based on Waste Hauler Monthly Summary Report	Total Monthly Franchise Fees paid by Waste Hauler MONTHLY FRANCHISE FEE Based on Monthly Invoice	Variance in Fees Paid Total Quarterly Fees paid based on Monthly Invocies - Total Franchise Fees Due based on Monthly Reports Gross Receipts
2 0 0 -	January			
	February			
	March			
	April			
	May			
	June			
	July			
	August			
	September			
	October			
	November			
	December			
	Sub-Total			
2 0 0 -	January			
	February			
	March			
	April			
	May			
	June			
	July			
	August			
	September			
	October			
	November			
	December			
	Sub-Total			
2 0 0 -	January			
	February			
	March			
	April			
	May			
	June			
	July			
	August			
	September			
	October			
	November			
	December			
	Sub-Total			
2 0 0 -	January			
	February			
	March			
	April			
	May			
	June			
	July			
	August			
	September			
	October			
	November			
	December			
	Sub-Total			
Total				