

JAVA Resolution 11-0414-03



WHEREAS, the Joint Antelope Valley Authority (JAVA), a joint administrative entity created under the Nebraska Interlocal Cooperation Act (Neb. Rev. Stat. § 13-801 et. seq.) by agreement of April 15, 2000 as amended (JAVA Interlocal Agreement) between the Board of Regents of the University of Nebraska, a public body corporate and governing body of the University of Nebraska (University), the City of Lincoln, Nebraska, a municipal corporation (City), and the Lower Platte South Natural Resources District, a political Subdivision of the State of Nebraska (LPSNRD) is now implementing under the JAVA Interlocal Agreement the Phase One Priority Projects of Antelope Valley Amended Draft Single Package; and

WHEREAS, JAVA has previously approved by-laws, administrative resolution, policies and guidelines for the implementation of the Phase One Priority Projects.

NOW THEREFORE, be it resolved by the Administrative Board of the Joint Antelope Valley Authority as follows:

1. The Chairperson is hereby authorized to execute and approve the attached professional services contract (Agreed Upon Procedures) in connection with JAVA's Construction Program Management and Construction Phase Services Agreement including related supplements with the firm of **Mick and Crouch, P.C. Certified Public Accountants** (Not to Exceed Amount **\$25,000 plus expenses**) in accordance with the Administrative Board's by-laws and to administer the same including executing the necessary forms, approvals and documents contemplated therein and specifically including written amendments to the same; provided that the board shall receive timely reports of all amendments on an ongoing basis (regardless of the amount) showing the net change for each and a cumulative total of all changes as compared to the original contract amount.
2. Accordingly, the expenditure and allocating of JAVA funds for such purposes is hereby authorized and the requirements of the by-laws of the Board are hereby incorporated into this approval and the JAVA board does hereby grant final approval of the contracts as in conformance with all applicable requirements of the board.
3. The Chairperson is authorized to sign and execute the same on behalf of the Authority. In addition, the Chairperson is authorized to approve minor, typographical, or technical changes to conform to the originals as approved by JAVA Legal Counsel.
4. There is hereby appropriated cash balances and lawfully available appropriations including all money now credited or which will be credited to the Antelope Valley – Phase 1 Construction Fund for payment as needed to implement the contracting and project expenses for the JAVA responsibilities in the Agreement. Accordingly, the JAVA treasurer is hereby authorized to accept the transfer of funds as appropriated.

5. The same shall be kept on file with the official records of the Authority as provided in the by-laws.

Dated this 14th Day of April, 2010.

Introduced by: _____

Approved by Unanimous Vote of _____, _____, and _____ after public hearing on this 14th Day of April, 2010.

Signed:

Joint Antelope Valley Authority

Vice Chairperson

Glenn Johnson, Chairperson

Approved as to form and Legality

Legal Counsel

Micek & Crouch, P.C.

Certified Public Accountants

130 Cherry Hill Boulevard
Lincoln, Nebraska 68510
Phone: (402) 488-4900
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Kurt L. Micek, C.P.A.
Janalee Crouch, C.P.A.

April 5, 2011

Joint Antelope Valley Authority
555 South 10th Street
Lincoln, Nebraska 68508

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for Joint Antelope Valley Authority.

We will apply the agreed-upon procedures listed in the attached schedule to Antelope Valley Construction Program Management and Construction Phase Services Agreement No. CK0345, including supplements #1, 2, 3, 4, 5, and 6, Control No. 11215 (A-L) of Joint Antelope Valley Authority. This engagement is solely to assist Joint Antelope Valley Authority and the Nebraska Department of Roads in providing reasonable assurance that the costs incurred, as reported in claims, resulting from accomplished and duly authorized work, were accurate, were supported by adequate accounting records, were billed in accordance with terms of the agreement, and were allowable in accordance with laws, regulations, policies and procedures applicable to this project. Our engagement to apply agreed-upon procedures will be performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will not issue a report as a result of this engagement.

Because of the agreed-upon procedures listed in the attached schedule do not constitute an audit, we will not express an opinion on Joint Antelope Valley Authority's financial statements or any elements, accounts, or items thereof. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We will submit a report listing the procedures performed and the results of those procedures. This report is solely for the use of Joint Antelope Valley Authority and the Nebraska Department of Roads, and should not be used by those who did not agree to the procedures. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We plan to begin our procedures on approximately May 1, 2011 and, unless unforeseeable problems are encountered, the engagement should be completed by August 31, 2011. At the conclusion of our engagement, we will require a representation letter from management.

We estimate that our fees for these services will range from \$21,400.00 to \$24,600.00. You will also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter please sign the enclosed copy and return it to us. If the need for additional services arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified users of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of procedures.

Very truly yours,



Micek & Crouch, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Joint Antelope Valley Authority and the Nebraska Department of Roads.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

SCHEDULE OF AGREED-UPON PROCEDURES

- I. Review of Files:
 - A. Identify extent of FHWA's financial participation. Include a copy of their authorization.
 - B. Identify the nature and scope of work in the approved agreement and supplements, as well as the work responsibilities and financial liabilities of each party.
 - C. Review the agreement and supplements to:
 - 1. Determine method of compensation, ie. actual cost, actual cost plus fixed fee, specified rate of compensation, etc.
 - 2. Identify maximum limiting amount for actual costs, fixed for profit, and the maximum for the total contract.
 - 3. Determine basis of labor charges. Identify any rates which had been established for payment purposes.
 - 4. Determine basis of overhead charges. Was the agreement rate established for payment purposes? If not, was the actual rate subject to a maximum limit?
 - 5. Identify any Direct Non-Labor cost categories for which the reimbursement rates had been standardized and established for payment purposes.
 - D. Identify FHWA's authorization date.
 - E. Identify NDOR's Notice to Proceed date(s).
 - F. Identify JAVA's Notice to Proceed date(s).
 - G. Identify the approved completion date(s) by project.
 - H. Identify allowable overhead rates by fiscal year for the project period for the consultant and each sub-consultant.
 - I. Perform any other engagement steps deemed necessary.
- II. Summary of Invoice Amounts:
 - A. Prepare a schedule which summarizes the progress invoice amounts and other pertinent information. Identify totals for the overall agreement and also for each individual project.

III. Review of Invoices:

- A. Verify arithmetic correctness.
- B. Costs prior to FHWA's authorization date are not eligible for reimbursement with federal funds. Determine if there were costs prior to FHWA's authorization date. If so, identify unallowable costs, including associated overhead, etc.
- C. Costs prior to NDOR's Notice to Proceed are not eligible for reimbursement. Determine if there were costs prior to NDOR's Notice to Proceed Date. If so, identify unallowable costs, including associated overhead, etc.
- D. Costs prior to JAVA's Notice to Proceed are not eligible for reimbursement. Determine if there were costs prior to JAVA's Notice to Proceed Date. If so, identify unallowable costs, including associated overhead, etc.
- E. Any costs incurred after the completion deadline are not eligible for reimbursement unless JAVA has approved an extension of time. Determine if there were costs after the completion deadline. If so, identify unallowable costs, including associated overhead, etc.
- F. Determine if consultant has adequately identified and segregated costs by the projects identified in the agreement and supplements. Note discrepancies and any cost adjustments that might be necessary.
- G. Determine if there are signs of billing errors or omissions, unauthorized work, noncompliance or other potential billing problems, by making an overall comparison of the invoice to the estimate, by major types of costs, such as labor, overhead, direct non-labor costs and profit.
- H. Amounts in excess of the actual cost maximum are not allowable. Identify any costs in excess of the actual cost maximum: perform for overall agreement and each project.
- I. Determine if Fixed Fee for Profit was billed in accordance with the project agreement.
- J. Perform any other engagement steps deemed necessary.

IV. Reconciliation:

- A. Reconcile invoiced costs to the Consultant/Engineer's work order ledger, or like documents.

V. Director Labor Costs:

- A. Determine if hourly rates were billed in accordance with the project agreement.
- B. Determine if hours are supported by acceptable time sheets.

VI. Overhead Costs:

- A. Recompute billed overhead costs by applying the appropriate allowable overhead rate for the periods that labor was billed. Identify the amount of over/under billing, overall and by project.

VII. Travel and Subsistence Costs:

- A. Determine if the charges are supported by travel reimbursement claims, etc.
- B. Determine if the charges are in compliance with the conditions and rates allowed in the agreement.
- C. Determine if the charges are reasonable in relation to the employee's labor charges.

VIII. Equipment and Vehicle Costs:

- A. For Company Equipment/Vehicle charges, determine if,
 - 1. Usage is supported by acceptable usage reports
 - 2. Usage is reasonable for the hours worked
 - 3. Rates were billed in accordance with the agreement.
- B. For Rental Equipment/Vehicle charges, determine if,
 - 1. The charges are supported by a paid Vendor's invoice
 - 2. There is adequate evidence that the charges are attributable to this project
 - 3. The charges are reasonable in relation to work performed.

IX. Miscellaneous Costs:

- A. Determine if the charges are supported by adequate accounting records, invoices, or payment records, etc.
- B. Determine if there is adequate evidence that the charges are attributable to this project.
- C. Determine if the charges are reasonable in relation to the scope of the authorized work.
- D. Determine if the charges are reimbursable in accordance with the project agreement.

X. Subconsultant Costs:

- A. Test in accordance with suggested agreed-upon procedures in Sections IV thru IX of this engagement.

XI. Engagement Close-Out Discussion:

- A. Have a Close-out Discussion with the Consultant/Engineer who certified the submitted invoice, or one of his/her authorized representatives.
 - 1. Discuss all proposed citations or irregularities that were discovered during the course of the engagement.
 - 2. Document who was involved in the discussion; and when, how and where it was held.
 - 3. Document the Consultant/Engineer's position and opinion regarding the engagement results.

XII. Post Procedures:

- A. Identify the total amount of costs verified.
- B. Summarize the engagement results.