San Francisco
County Transportation
Authority

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Memorandum

AGENDA ITEM 10

DATE: July 8, 2026

TO: Transportation Authority Board

FROM: Cynthia Fong – Deputy Director for Finance and Administration

SUBJECT: 07/14/2026 Board Meeting: Award a Three-Year Professional Services Contract with an Option to Extend for Two Additional One-Year Periods, to Crowe LLP in an Amount Not to Exceed $340,000 for Annual Audit Services

RECOMMENDATION ☐ Information ☒ Action

- Award a three-year professional services contract, with an option to extend for two additional one-year periods, to Crowe LLP in an amount not to exceed $340,000 for annual audit services
- Authorize the Executive Director to negotiate contract payment terms and non-material terms and conditions

SUMMARY

Under its respective fiscal policies, the Transportation Authority and the Treasure Island Mobility Management Agency (TIMMA) financial transactions and records are to be audited by an independent certified public accountant (CPA) firm at least annually and a report is to be submitted to the respective Boards on the results of the audit. On April 27, 2026, we issued a Request for Proposals (RFP) for annual audit services for a three-year contract covering the audits for Fiscal Years 2025/26 through 2027/28, with two one-year extension options. We received four proposals by the due date of May 26, 2026. Following evaluation of proposals and interviews, the selection panel recommends a contract award to Crowe LLP to provide annual audit services.

☐ Fund Allocation

☐ Fund Programming

☐ Policy/Legislation

☐ Plan/Study

☐ Capital Project Oversight/Delivery

☐ Budget/Finance

☒ Contract/Agreement

☐ Other: ______

BACKGROUND

The current auditing services contract with Eide Bailly LLP, expires in June 2026, which is the fifth and final year of the contract. Our Procurement Policy requires us to competitively re-bid professional services contracts after five years.

DISCUSSION

The purpose of this memorandum is to describe the procurement process and recommend award of the annual audit services contract to Crowe LLP. The contract will be for three years covering audits for Fiscal Years 2025/26, 2026/27 and 2027/28, with two one-year extension options.

On April 27, 2026, we issued a RFP for annual audit services. We took steps to encourage participation from small, disadvantaged and local business enterprises, including distributing the RFP to certified small, disadvantaged, and local businesses, Bay Area and cultural chambers of commerce, and small business councils.

By the due date of May 26, 2026, we received four proposals in response to the RFP. A selection panel comprised of Transportation Authority and City's Controller's Office staff evaluated the proposals based on qualifications and other criteria identified in the RFP, including the proposer's understanding of project objectives, technical and management approach, and capabilities and experience. The panel interviewed two firms on June 10 and 11. Based on the competitive process outlined in the RFP, the evaluation panel recommends awarding the contract to Crowe LLP, the highest-ranked firm. Crowe LLP distinguished itself through its use of advanced audit technology and data analytics tools, strong audit methodology, and extensive experience serving transportation agencies. Crowe LLP provides auditing services for several transit and transportation agencies, including the Alameda-Contra Costa Transit District, Metropolitan Transportation Commission, San Francisco Bay Area Rapid Transit District, and the San Francisco Municipal Transportation Agency.

We established a Transportation Authority Disadvantaged Business Enterprise/Local Business Enterprise/Small Business Enterprise (SBE) goal of 17% for this contract. The Crowe LLP team met the contract goal and pledged a SBE utilization of 17% through its subconsultant, Richardson & Company, LLP, a woman-owned firm.

The scope of services is included in Attachment 1.

FINANCIAL IMPACT

The contract will be funded from Prop L sales tax funds and local contributions from the Treasure Island Development Authority. The first year's activity is included in the

Transportation Authority's adopted Fiscal Year 2026/27 Budget. Sufficient funds will be included in future budgets to cover the remaining cost of the contract.

CAC POSITION

The CAC considered this item at its June 24, 2026 meeting and unanimously adopted a motion of support for the staff recommendation.

SUPPLEMENTAL MATERIALS

- Attachment 1 – Annual Audit Scope of Services
- Attachment 2 - Resolution

Attachment 1

Annual Audit Scope of Services

Audit services may include, but are not limited to, the following categories of action:

- Conduct an annual audit of all the Transportation Authority's funds in accordance with auditing standards generally accepted in the United States of America and the Governmental Accounting Standards Board (GASB) with the objectives of expressing an opinion on the financial statements. The Auditor will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements in our Annual Comprehensive Financial Report (ACFR);

- Perform the procedures necessary to ensure that the Transportation Authority may use the Auditor's opinion on the basic financial statements in connection with any official statements for public debt issuance. The Auditor may issue a debt service certificate, in the form of a debt consent agreed upon procedures engagement and/or a consent letter as requested by bond counsel. We do not anticipate any debt issuances during Fiscal Year (FY) 2025/26 and FY 2026/27;

- Perform a single audit on the expenditures of federal grants in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance);

- Assist in preparing the ACFR including financial statements, schedule of expenditures of federal awards, and related notes of the Transportation Authority in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by Transportation Authority. The trial balance and other supporting documents are provided to the auditor to update the auditor's financial statements template to generate the financial report, footnotes and related schedules. Transportation Authority staff will prepare the Transmittal Letter and Management Discussion and Analysis. In addition, we plan to implement GASB Statement No. 103, Financial Reporting Model Improvements and Statement No. 104, Disclosure of Certain Capital Assets in FY 2025/26 and may need assistance from the Auditor.

- Prepare a separate audit report on TIMMA;

- Issue a Management Letter that includes a listing of all non-material items, which were identified during the audit, as well as a listing of the status of resolved and unresolved Management Letter comments from prior audits will be submitted to Transportation Authority staff; and

- Present audit results and Management Letter to the TIMMA Committee and Transportation Authority and TIMMA Boards. The Auditor attends one meeting per year and should anticipate attendance may be needed for up to two meetings each year in the future.

The following auditing standards will be followed:

- Accounting principles and auditing standards generally accepted in the United States;
- GASB;
- Standards for financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States;
- Provisions of the Uniform Guidance; and
- Other applicable accounting and auditing standards.

The Transportation Authority assumes the responsibility to prepare the Letter of Transmittal, Management Discussion and Analysis, the basic financial statements, other required supplementary information, schedule of expenditures of federal awards, footnotes, Statistical and Compliance sections. The Auditor will then be asked to produce the final published ACFR, financial statements and/or single audit, if applicable. All produced materials should conform to the Web Content Accessibility Guidelines (WCAG) Version 2.1, Level AA. The following assistance will be available to the Auditor:

- The Transportation Authority's staff will be available to work with the selected firm to ensure a smooth implementation for the year ending June 30, 2026; and
- The Auditor will be provided workspace within the Transportation Authority's offices. Please note that the Transportation Authority has limited office space. All space requirements and other miscellaneous requirements and concerns should be made known to the Transportation Authority.

Additional Accounting and Audit-Related Service

From time to time the Transportation Authority may require additional or special auditing and/or audit-related services such as compliance audits of recipients of Prop L funds. Where it can be demonstrated that it is to the Transportation Authority's benefit to engage the Auditor for such services, the Transportation Authority may amend the Auditor's contract to include said services without a subsequent formal bid process. These additional audit services may also be bid separately, at the sole discretion of the Transportation Authority.

Examples of additional or special accounting and/or audit services are:

- Compliance Agreed-Upon Procedures;
- Compliance Audit Procedures;
- Debt Consent Agreed-Upon Procedures;
- Management Audit; and
- Reviews or audits as required by any grantors.

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BD071426 RESOLUTION NO. 27-06

RESOLUTION AWARDING A THREE-YEAR PROFESSIONAL SERVICES CONTRACT WITH AN OPTION TO EXTEND FOR TWO ADDITIONAL ONE-YEAR PERIODS, TO CROWE LLP IN AN AMOUNT NOT TO EXCEED $340,000 FOR ANNUAL AUDIT SERVICES, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE CONTRACT PAYMENT TERMS AND NON-MATERIAL CONTRACT TERMS AND CONDITIONS

WHEREAS, Under its respective fiscal policies, the Transportation Authority and the Treasure Island Mobility Management Agency financial transactions and records are to be audited by an independent certified public accountant firm at least annually and a report is to be submitted to the respective Boards on the results of the audit; and

WHEREAS, The audit must be conducted in accordance with generally accepted government auditing standards applicable to financial audits established by Governmental Accounting Standards Board and the Controller General of the United States; and

WHEREAS, The Transportation Authority's fifth and final year of the current auditing services contract with Eide Bailly LLP expired in June 2026; and

WHEREAS, The Transportation Authority's Procurement Policy requires the agency to competitively re-bid professional services contracts after five years; and

WHEREAS, On April 27, 2026, the Transportation Authority issued a Request for Proposals for annual audit services for a three-year contract covering the audits for Fiscal Years 2025/26 through 2027/28, with two one-year extension options; and

WHEREAS, The Transportation Authority received four proposals by the due date of May 26, 2026; and

WHEREAS, A selection panel comprised of staff from the Transportation Authority and City and County of San Francisco's Office of the Controller interviewed the two top-ranked firms on June 10 and 11; and

WHEREAS, Based on the results of this competitive selection process, the panel recommended award of an annual audit services contract to the highest-ranked firm of Crowe LLP; and

WHEREAS, The scope of work described in the RFP is included in the Transportation Authority's adopted Fiscal Year 2026/27 budget and sufficient funds will be included in future fiscal year budgets to cover the cost of the contract; and

WHEREAS, The annual audit services will be funded from a combination of Prop L sales tax funds and local contributions from the Treasure Island Development Authority; and

WHEREAS, At its June 24, 2026 meeting, the Community Advisory Committee considered the item and unanimously adopted a motion of support for the staff recommendation; now, therefore, be it

RESOLVED, That the Transportation Authority hereby awards a three-year professional services contract, with an option to extend for two additional one-year periods, to Crowe LLP in an amount not to exceed $340,000 for annual audit services; and be it further

RESOLVED, That the Executive Director is hereby authorized to negotiate contract payment terms and non-material contract terms and conditions; and be it further

RESOLVED, That for the purposes of this resolution, "non-material" shall mean contract terms and conditions other than provisions related to the overall contract amount, terms of payment, and general scope of services; and be it further

RESOLVED, That notwithstanding the foregoing and any rule or policy of the Transportation Authority to the contrary, the Executive Director is expressly authorized to execute agreements and amendments to agreements that do not cause the total agreement value, as approved herein, to be exceeded and that do not expand the general scope of services.