



Agenda Item No. (8)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of August 25, 2022

From: Cody Smith, Director of Accounting
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE EXECUTION OF PROFESSIONAL SERVICES
AGREEMENT PURSUANT TO REQUEST FOR PROPOSALS NO. 2022-D-
009, EXTERNAL AUDIT SERVICES, WITH EIDE BAILLY, LLP**

Recommendation

The Finance-Auditing Committee recommends the Board of Directors authorize the execution of Professional Services Agreement (PSA) pursuant to Request for Proposals (RFP) No. 2022-D-009, *External Audit Services*, with Eide Bailly, LLP (EB) of Menlo Park, CA, in the amount of \$275,436 for a three-year term with two one-year options to be exercised at the discretion of the General Manager or his/her designee, in the amount of \$95,509 for year four and in the amount of \$97,419 for year five, with the understanding requisite funds are available in the District Division Operating Budget and will be budgeted accordingly for future years.

Summary

The Agreement with the current audit firm Eide Bailly, LLP (EB) will conclude with the issuance of the Golden Gate Bridge, Highway and Transportation District's (District) externally audited financial statements for the fiscal year, which ended on June 30, 2022. EB has been the District's auditor since 2008. Per auditing regulations, EB has rotated partners every 5 years while working on the District's audit to remain compliant throughout their tenure. On February 2, 2022, the District issued an RFP for External Audit Services that was publicly posted on the District's solicitation management system. There were 20 document takers and four proposals were received by the solicitation due date of March 2, 2022 from:

1. Badawi & Associates CPAs
2. Eide Bailly, LLP
3. Maze & Associates
4. Moss Adams

An Evaluation Committee, comprised of District staff, evaluated each proposal based upon the following criteria as set forth in the RFP documents:

1. Experience of the Audit Firm and Personnel Assigned to Engagement (0-40 points)
2. Audit Approach, including Education and Training Opportunities (0-40 points)
3. Cost Proposal (0-20 points)

Based upon the evaluation of the written proposals, cost proposals and client references, staff recommends contract award to Eide Bailly, LLP, the incumbent, as the highest ranked proposer. EB has been providing governmental auditing services for over 70 years to governmental agencies, including the following transit authorities: Santa Clara Valley Transportation Authority, Orange County Transportation Authority, Alameda County Transportation Commission, Solano Transportation Authority, San Mateo County Transportation District, and Caltrain. EB's Menlo Park office will oversee the audit of the District. The Attorney has confirmed that EB's proposal is responsive to the legal requirements of the RFP.

The Committee was especially impressed by EB's ability to understand the nature of the District's operations. Its allocation of resources to aid and assist with external reporting requirements – i.e., National Transit Database and State Controller's Office reporting – strongly meets the District's desired attributes of skills, knowledge, and expertise for assigned staff. EB also provided specific work plans to meet critical submission deadlines while catering to the District's desired work schedule. In addition, the firm has extensive California transportation authority experience as evidenced by its transportation client listing. Lastly, EB continues to exhibit the required independent judgment, balanced with high customer care, at a price point that was competitive with the other proposers. Reference checks conducted with EB's current and past clients revealed significant client satisfaction. EB will continue to rotate partners at least every 5 years to maintain independence, objectivity, and increased quality of work.

In summary, staff recommends an award to EB as the District's external auditors in recognition of the following:

- Extensive Audit experience of similar transit agencies by the firm;
- Technical expertise of the audit team on transit-specific reporting requirements;
- Flexibility of the work plan to meet the District's needs;
- Cost Proposal; and
- Strong references

No specific Disadvantaged Business Enterprise (DBE) or Small Business Enterprise (SBE) goal was established for this contract. The DBE Program Administrator has determined that EB is not a DBE or SBE and will not utilize sub-consultants during the performance of this Agreement.

Fiscal Impact

Sufficient funds will be budgeted each year beginning in Fiscal Year 22/23 in the District Division Operating Budget for the cost of the audit services. The cost is \$90,000 in Fiscal Year 22/23.