

## Tab A - Submission of Information and Forms



## 2.1 Completed and Signed Contract Signature Page

We have provided our Completed and Signed Contract Signature Page below.

### 4<sup>th</sup> Contractor's Pricing

5.4 **Counterparts.** This Contract may be executed in counterparts which, when taken together, shall constitute a single signed original as though all Parties had executed the same page.

5.5 **Public Agencies.** Other public agencies, as defined by California Government Code section 6500, may choose to use the terms of this Contract, subject to Contractor's acceptance. The City is not liable or responsible for any obligations related to a subsequent Contract between Contractor and another public agency.

IN WITNESS WHEREOF, this Contract is executed by City and Contractor acting by and through their authorized officers.

CONTRACTOR

CITY OF SAN DIEGO  
A Municipal Corporation

Crowe LLP  
Proposer

BY:

850 Town Center Drive, Suite 740  
Street Address

Print Name:

Costa Mesa, California 92626  
City

Director, Purchasing & Contracting Department

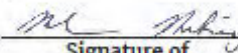
830.708.2071  
Telephone No.

Date Signed

bert.nuehring@crowe.com  
E-Mail

BY:

Approved as to form this \_\_\_\_ day of

  
Signature of  
Proposer's Authorized  
Representative

\_\_\_\_\_, 20\_\_\_\_  
MARA W. ELLIOTT, City Attorney

Bert Nuehring  
Print Name

BY: \_\_\_\_\_  
Deputy City Attorney

Partner  
Title

December 1, 2022  
Date

## 2.2 Exceptions

In the event the City of San Diego utilizes all or a portion of its proposed Contract Resulting from Request for Proposal or the General Contract Terms and Provisions included within the RFP, certain provisions contained in Crowe's standard terms would need to be included in the final agreement to properly reflect applicable professional standards and Crowe's risk profile, and to outline the responsibilities of each party. Additionally, to the extent any terms contained in the Contract Resulting from Request for Proposal, or the General Contract Terms and Provisions are utilized, Crowe hereby submits the following summary of certain of the clarifications/exceptions we would likely seek. Crowe reserves its right to negotiate a mutually acceptable agreement with the City of San Diego upon the award of the engagement under this RFP. Crowe is prepared to swiftly negotiate final terms with City of San Diego and sees no impediment to reaching mutually acceptable terms.

<p><b><u>Contract Resulting from Request for Proposal Number 10089981-23-E, Page 1, Recitals.</u></b></p>	<p>Crowe requests that only those provisions of the RFP and the response to the RFP which are contractual in nature (e.g. services descriptions and pricing) be included within the final contract.</p> <p>Justification: Certain terms of the RFP and response are not contractual in nature.</p>
<p><b><u>Exhibit A, Proposal Submission and Requirements, Section A (10), Right to Audit</u></b></p>	<p>Crowe seeks reasonable limitations on the frequency, number and scope of any audits and Crowe respectfully requests to be permitted to provide summary level and redacted information in order to properly protect confidential information of Crowe, third parties and our clients.</p> <p>Justification: Crowe simply requests that any audits be conducted in a reasonable fashion, with a limited scope, under agreed-upon timetables and in a mutually acceptable manner.</p>
<p><b><u>Exhibit A, Proposal Submission and Requirements, Section C (3.5), Inspection</u></b></p>	<p>While Crowe will be happy to answer any questions about our equipment and facilities, Crowe is not able to permit a physical inspection of our computer systems or network.</p> <p>Justification: Given that Crowe's systems contain confidential information of Crowe and of individual clients, we cannot permit an inspection of our computer systems.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 1.1, Scope of Contract</u></b></p>	<p>Crowe requests that only those provisions of the RFP and the response to the RFP which are contractual in nature (e.g. services and pricing) be included within the final contract.</p> <p>Justification: Certain terms of the RFP and the response are not contractual in nature.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 4.2, City's Right to Terminate for Convenience</u></b></p>	<p>Crowe seeks to clarify that upon any such termination for convenience by the City, Crowe would deliver those materials which constitute deliverables upon full payment of invoices.</p> <p>Justification: Crowe anticipates receiving payment for services performed and expenses incurred through the date of any such termination.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 4.3.2, City's Right to Terminate for Default</u></b></p>	<p>Crowe requests an adjustment to this section such that it will read as follows: "If City terminates this Contract, in whole or in part, Contractor shall continue performance to the extent not terminated."</p> <p>Justification: In the event the City determines that a portion of the services are unsatisfactory, Crowe will work with the City to reperform the services to the satisfaction of the City or otherwise refund that portion of the services deemed unsatisfactory.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 4</u></b></p>	<p>Crowe requests the addition of a clause permitting Crowe to terminate the agreement based upon applicable professional standards. In addition, Crowe requests the right to terminate the agreement based upon a material breach by the City after written notice and right to cure.</p> <p>Justification: As a regulated professional services firm, Crowe is obligated to follow applicable professional standards. Therefore, we seek our standard clause permitting Crowe to terminate the agreement in the event professional standards may require it. Likewise, similar to</p>

	<p>the City's right to terminate for material breach after failure to cure the breach, Crowe requires a similar ability to terminate the agreement for a material breach after written notice and right to cure.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 4.5.2, Termination for Default</u></b></p>	<p>Crowe believes the internal paragraph reference (in Section 4.5.2) to 4.3.2 is in error and should be 4.5.1, which references the applicable adjustment. Justification: Correction of suspected error.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 5.1, Inspection and Acceptance</u></b></p>	<p>This seems N/A given the reference to "goods."</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 5.3, Responsibility for Damages</u></b></p>	<p>Crowe seeks modifications to the first sentence of this section to clarify that it will be responsible for damages for bodily injury, death or tangible property damage (which matches the intent of the second sentence of this section). Justification: This is a clarification to make the first sentence consistent with the second sentence as to the types of damages covered.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 5.4, Delivery</u></b></p>	<p>This clause seems to be N/A for the types of services.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 5.5, Delay</u></b></p>	<p>The clause stating that "time is of the essence" should either be removed or revised to be mutual and conditioned upon fulfillment of all client responsibilities under the agreement. Justification: Crowe's ability to provide services is contingent upon timely and complete cooperation and delivery of information from the client.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 5.7, Warranties</u></b></p>	<p>Crowe seeks removal of this clause as it is not applicable to the professional services provided by Crowe. Justification: Crowe is a professional services firm and does not provide goods or warrantable services under this agreement. Crowe will perform services in accordance with the standards set forth in Section 5.8.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 5.9, Records Retention and Examination and Section 5.11, Duty to Cooperate with Auditor</u></b></p>	<p>Crowe seeks reasonable limitations on the frequency, number and scope of any audits and Crowe respectfully requests to be permitted to provide summary level and redacted information in order to properly protect confidential information of Crowe, third parties and our clients. Likewise, any outside City auditor should not be a direct competitor of Crowe. Justification: Crowe simply requests that any audits be conducted in a reasonable fashion, with a limited scope, under agreed-upon timetables and in a mutually acceptable manner.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Sections 6.1 to 6.8, Intellectual Property Rights</u></b></p>	<p>Crowe seeks adjustments to these sections to reflect that except as may be detailed in the specific statement of work, various materials generated by Crowe shall remain the property of Crowe (by reason of applicable professional standards or by reason of ownership of the underlying toolkits or methodologies). However, to the extent that any deliverables are to be owned by the City, those would be agreed upon by the parties and specified in the applicable statement of work. Likewise, although Crowe does not provide a direct warranty relating to intellectual property infringement and respectfully requests removal of this warranty, Crowe is willing to indemnify the City for intellectual property infringement using mutually acceptable language. Finally, Crowe utilizes certain third-party providers which are owned or controlled by Crowe, and we seek inclusion of the following clarifying language in the final agreement: "Crowe uses third-party providers in the ordinary course of Crowe business operations. Third-party providers used in the ordinary course of Crowe business operations include without limitation email providers, cyber-security providers, and data hosting centers. Crowe also uses its subsidiaries (owned and controlled by Crowe) within and outside the United States for various administrative and support roles. Crowe</p>



	<p>subsidiaries and any third-party providers used in the ordinary course of Crowe business operations will meet the confidentiality and data protection requirements in this Agreement. The limitations in this Agreement on Client’s remedies will also apply to any such third-party providers and Crowe subsidiaries.”</p> <p>Justification: Certain materials generated by Crowe during the course of performing services may, based upon applicable professional standards, be owned by Crowe. In order to properly reflect professional standards and the services being performed, Crowe seeks to include our standard provisions concerning ownership, vesting certain ownership in Crowe, with the statement of work expressly specifying any materials that are to be owned by the City. Additionally, because Crowe uses certain providers for support-related services for our business, we seek inclusion of the third-party provider clause referenced above.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 7.1, Indemnification</u></b></p>	<p>Crowe seeks modification to this section to reflect that Crowe will indemnify the City for bodily injury, including death, and damage to, or destruction of, tangible property to the extent caused by Crowe. Crowe is also willing to indemnify the City for intellectual property infringement using mutually acceptable language.</p> <p>Additionally, Crowe requests inclusion of a clause requiring the City to indemnify Crowe for any third-party claims arising from or relating to the third party’s use of or reliance upon any work product or services provided by Crowe.</p> <p>Justification: Crowe is unable to provide the broad indemnity requested by the City but will agree to the types of indemnity noted above. Likewise, because no third parties should be in possession of or relying upon our work product, we request inclusion of a narrow third-party indemnity clause as reflected above.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section, 7.2, Insurance</u></b></p>	<p>Crowe seeks minor modifications to the insurance section as follows:</p> <p>Crowe is not able to provide copies of its insurance policies and cannot agree to any individual client approval for the level of Crowe deductibles or self-insured retentions. Accordingly, adjustments are required in Section 7.3 and Section 7.5. Additionally, Section 7.2.5.3 requires adjustment to reflect that it would be Crowe (and not necessarily reflected in the policy language itself) that would provide any notice of cancellation of insurance. Finally, in Section 7.2.5.2, Crowe seeks adjustment to reflect that only certain policies are designated as primary.</p> <p>Justification: These changes are meant to capture the factual nature of the coverage in force and to protect the confidentiality of Crowe information.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Article VIII, Bonds</u></b></p>	<p>This section is not applicable to Crowe.</p> <p>Justification: This type of bonding requirement is not applicable to the type of professional services to be performed by Crowe for the City.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 12.3, Attorneys’ Fees Related to Mandatory Assistance</u></b></p>	<p>Crowe seeks removal of this section.</p> <p>Justification: Crowe should be compensated for its reasonable expenses associated with providing such required assistance to the City.</p>
<p><b><u>Exhibit C, General Contract Terms and Provisions, Section 13.18, No Third-Party Beneficiaries</u></b></p>	<p>Crowe seeks to remove the “exception” concerning third party beneficiaries.</p> <p>Justification: There are no third-party beneficiaries under the potential agreement. Therefore, we seek removal of the opening clause of this section which states “Except as may be specifically set forth in this Contract.”</p>
<p><b><u>Add: Limitations on Liability</u></b></p>	<p>Crowe requests inclusion of limitations on liability in the following form:</p> <p>“Crowe will not be liable for any special, indirect, consequential, incidental, exemplary or punitive damages, or for any lost profits, lost savings, or lost business opportunity, even if Crowe had reason to be aware of the possibility of such damages. Except where it is judicially determined that</p>

	<p>Crowe acted with recklessness or willful misconduct, and except for Crowe’s indemnity obligations under Section 7.1, Crowe’s liability and any liability of its personnel will not exceed the fees actually paid to Crowe under the applicable SOW, and a return of fees paid will be the exclusive remedy for any damages. The limitations of liability in this Section and in this Agreement generally will apply to the fullest extent allowed by law and will apply to any claim, liability, or damages, including without limitation to any claims, liabilities, or damages based in negligence or other tort, contract, warranty, indemnity, fiduciary principles, statute or common law. This provision will survive termination of this Agreement, in whole or in part.”</p>
<p><b><u>Add: Response to Legal Process</u></b></p>	<p>Crowe requests inclusion of a response to legal process clause, allowing for reasonable reimbursement for time and expenses, in the following form:</p> <p>“If Crowe is requested by Client, any third-party, or any other person or entity, by subpoena, investigation, other legal process, or other request to produce documents or testimony pertaining to Client or the Services, and Crowe is not named as a party in the proceeding, Client will pay Crowe for its professional time, plus out-of-pocket expenses, costs, and fees, as well as reasonable attorney fees, incurred in responding to such request.”</p>
<p><b><u>Add: Crowe Global Network</u></b></p>	<p>Crowe requests the inclusion of the description of our Crowe Global network affiliation as required by the California Board of Accountancy. Crowe LLP and its subsidiaries are independent members of Crowe Global, a Swiss organization. “Crowe” is the brand used by the Crowe Global network and its member firms, but it is not a worldwide partnership. Crowe Global and each of its members are separate and independent legal entities and do not obligate each other. Crowe LLP and its subsidiaries are not responsible or liable for any acts or omissions of Crowe Global or any other Crowe Global members, and Crowe LLP and its subsidiaries specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Global or any other Crowe Global member. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe LLP or any other member. Crowe Global and its other members are not responsible or liable for any acts or omissions of Crowe LLP and its subsidiaries and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe LLP and its subsidiaries. Visit <a href="http://www.crowe.com/disclosure">www.crowe.com/disclosure</a> for more information about Crowe LLP, its subsidiaries, and Crowe Global.</p>

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## 2.3 Contractor Standards Pledge of Compliance Form

We have provided our Contractor Standards Pledge of Compliance Form on the following pages.

*Due to varying file types, these pages will not display on the Table of Contents.*

**City of San Diego**  
**CONTRACTOR STANDARDS**  
**Pledge of Compliance**

The City of San Diego has adopted a Contractor Standards Ordinance (CSO) codified in section 22.3004 of the San Diego Municipal Code (SDMC). The City of San Diego uses the criteria set forth in the CSO to determine whether a contractor (bidder or proposer) has the capacity to fully perform the contract requirements and the business integrity to justify the award of public funds. This completed Pledge of Compliance signed under penalty of perjury must be submitted with each bid and proposal. If an informal solicitation process is used, the bidder must submit this completed Pledge of Compliance to the City prior to execution of the contract. All responses must be typewritten or printed in ink. If an explanation is requested or additional space is required, Contractors must provide responses on Attachment A to the Pledge of Compliance and sign each page. Failure to submit a signed and completed Pledge of Compliance may render a bid or proposal non-responsive. In the case of an informal solicitation or cooperative procurement, the contract will not be awarded unless a signed and completed Pledge of Compliance is submitted. A submitted Pledge of Compliance is a public record and information contained within will be available for public review except to the extent that such information is exempt from disclosure pursuant to applicable law.

By signing and submitting this form, the contractor is certifying, to the best of their knowledge, that the contractor and any of its Principals have not within a five (5) year period – preceding this offer, been convicted of or had a civil judgement rendered against them for commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) contract or subcontract.

“Principal” means an officer, director, owner, partner or a person having primary management or supervisory responsibilities within the firm. The Contractor shall provide immediate written notice to the Procurement Contracting Officer handling the solicitation, at any time prior to award should they learn that this Representations and Certifications was inaccurate or incomplete.

**This form contains 10 pages, additional information may be submitted as part of *Attachment A*.**

**A. BID/PROPOSAL/SOLICITATION TITLE:**

Independent Audit of San Diego Gas & Electric (SDG&E) Gas and Electric Franchise

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**B. BIDDER/PROPOSER INFORMATION:**

Crowe LLP

Legal Name		DBA	
650 Town Center Drive, Suite 740	Costa Mesa	California	92626
Street Address	City	State	Zip
Bert Nuehring, Partner	(630) 706-2071	(714) 668-1235	
Contact Person, Title	Phone	Fax	

Provide the name, identity, and precise nature of the interest\* of all persons who are directly or indirectly involved\*\* in this proposed transaction (SDMC § 21.0103). Use additional pages if necessary.

\* The precise nature of the interest includes:

- the percentage ownership interest in a party to the transaction,
- the percentage ownership interest in any firm, corporation, or partnership that will receive funds from the transaction,
- the value of any financial interest in the transaction,
- any contingent interest in the transaction and the value of such interest should the contingency be satisfied, and
- any philanthropic, scientific, artistic, or property interest in the transaction.



**Not Applicable**

\*\* Directly or indirectly involved means pursuing the transaction by:

- communicating or negotiating with City officers or employees,
- submitting or preparing applications, bids, proposals or other documents for purposes of contracting with the City, or
- directing or supervising the actions of persons engaged in the above activity.

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)

Interest in the transaction

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)

Interest in the transaction

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)

Interest in the transaction

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)

Interest in the transaction

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)

Interest in the transaction

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)

Interest in the transaction

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

**C. OWNERSHIP AND NAME CHANGES:**

1. In the past five (5) years, has your firm changed its name?  
 **Yes**       **No**

If **Yes**, use Attachment A to list all prior legal and DBA names, addresses, and dates each firm name was used. Explain the specific reasons for each name change.

2. Is your firm a non-profit?  
 **Yes**       **No**

If **Yes**, attach proof of status to this submission.

3. In the past five (5) years, has a firm owner, partner, or officer operated a similar business?  
 **Yes**       **No**

If **Yes**, use Attachment A to list names and addresses of all businesses and the person who operated the business. Include information about a similar business only if an owner, partner, or officer of your firm holds or has held a similar position in another firm.

**D. BUSINESS ORGANIZATION/STRUCTURE:**

Indicate the organizational structure of your firm. Fill in only one section on this page. Use Attachment A if more space is required.

**Corporation** Date incorporated: \_\_\_\_\_ State of incorporation: \_\_\_\_\_

List corporation's current officers: President: \_\_\_\_\_  
Vice Pres: \_\_\_\_\_  
Secretary: \_\_\_\_\_  
Treasurer: \_\_\_\_\_

Type of corporation: C  Subchapter S

Is the corporation authorized to do business in California:  **Yes**       **No**

If **Yes**, after what date: \_\_\_\_\_

Is your firm a publicly traded corporation?  Yes  No

If Yes, how and where is the stock traded? \_\_\_\_\_

If Yes, list the name, title and address of those who own ten percent (10 %) or more of the corporation's stocks:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do the President, Vice President, Secretary and/or Treasurer of your corporation have a third party interest or other financial interests in a business/enterprise that performs similar work, services or provides similar goods?  Yes  No

If Yes, please use Attachment A to disclose.

Please list the following:	Authorized	Issued	Outstanding
a. Number of voting shares:	_____	_____	_____
b. Number of nonvoting shares:	_____	_____	_____
c. Number of shareholders:			_____
d. Value per share of common stock:		Par	\$ _____
		Book	\$ _____
		Market	\$ _____

**Limited Liability Company** Date formed: \_\_\_\_\_ State of formation: \_\_\_\_\_

List the name, title and address of members who own ten percent (10%) or more of the company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Partnership** Date formed: 04/01/1942 State of formation: Indiana

List names of all firm partners:

Crowe LLP has approximately 500 partners/principals, however, Bert Nuehring, will be your primary contact. Additional information regarding Crowe's Leadership can be found at <https://www.crowe.com/about-us/leadership>. If awarded and necessary, Crowe would be glad to provide a complete list of partners in the firm.

**Sole Proprietorship** Date started: \_\_\_\_\_

List all firms you have been an owner, partner or officer with during the past five (5) years. Do not include ownership of stock in a publicly traded company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Joint Venture** Date formed: \_\_\_\_\_

List each firm in the joint venture and its percentage of ownership:

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**Note:** To be responsive, each member of a Joint Venture or Partnership must complete a separate *Contractor Standards form*.

**E. FINANCIAL RESOURCES AND RESPONSIBILITY:**

1. Is your firm preparing to be sold, in the process of being sold, or in negotiations to be sold?

- Yes       No

If Yes, use Attachment A to explain the circumstances, including the buyer's name and principal contact information.

2. In the past five (5) years, has your firm been denied bonding?

- Yes       No

If Yes, use Attachment A to explain specific circumstances; include bonding company name.

3. In the past five (5) years, has a bonding company made any payments to satisfy claims made against a bond issued on your firm's behalf or a firm where you were the principal?

- Yes       No

If Yes, use Attachment A to explain specific circumstances.

4. In the past five (5) years, has any insurance carrier, for any form of insurance, refused to renew the insurance policy for your firm?

- Yes       No

If Yes, use Attachment A to explain specific circumstances.

5. Within the last five years, has your firm filed a voluntary petition in bankruptcy, been adjudicated bankrupt, or made a general assignment for the benefit of creditors?

- Yes       No

If Yes, use Attachment A to explain specific circumstances.

6. Are there any claims, liens or judgements that are outstanding against your firm?

- Yes       No

If Yes, please use Attachment A to provide detailed information on the action.

7. Please provide the name of your principal financial institution for financial reference. By submitting a response to this Solicitation Contractor authorizes a release of credit information for verification of financial responsibility.

Name of Bank: BMO Harris Bank NA

Point of Contact: Joseph G. Jacob, Senior Vice President

Address: 111 West Monroe Street, 5 West Chicago, Illinois 60603

Phone Number: (312) 461-3608

8. By submitting a response to a City solicitation, Contractor certifies that he or she has sufficient operating capital and/or financial reserves to properly fund the requirements identified in the solicitation. At City's request, Contractor will promptly provide to City



a copy of Contractor's most recent balance sheet and/or other necessary financial statements to substantiate financial ability to perform.

9. In order to do business in the City of San Diego, a current Business Tax Certificate is required. Business Tax Certificates are issued by the City Treasurer's Office. If you do not have one at the time of submission, one must be obtained prior to award.

Business Tax Certificate No. [REDACTED] Year Issued: March 18, 2018

**F. PERFORMANCE HISTORY:**

1. In the past five (5) years, has your firm been found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for defaulting or breaching a contract with a government agency?

Yes  No

If Yes, use Attachment A to explain specific circumstances.

2. In the past five (5) years, has a public entity terminated your firm's contract for cause prior to contract completion?

Yes  No

If Yes, use Attachment A to explain specific circumstances and provide principal contact information.

3. In the past five (5) years, has your firm entered into any settlement agreement for any lawsuit that alleged contract default, breach of contract, or fraud with or against a public entity?

Yes  No \* We understand 'public entity' to be any government agency.

If Yes, use Attachment A to explain specific circumstances.

4. Is your firm currently involved in any lawsuit with a government agency in which it is alleged that your firm has defaulted on a contract, breached a contract, or committed fraud?

Yes  No

If Yes, use Attachment A to explain specific circumstances.

5. In the past five (5) years, has your firm, or any firm with which any of your firm's owners, partners, or officers is or was associated, been debarred, disqualified, removed, or otherwise prevented from bidding on or completing any government or public agency contract for any reason?

Yes  No

If Yes, use Attachment A to explain specific circumstances.

6. In the past five (5) years, has your firm received a notice to cure or a notice of default on a contract with any public agency?

Yes  No

If Yes, use Attachment A to explain specific circumstances and how the matter resolved.

7. Performance References:

Please provide a minimum of three (3) references familiar with work performed by your firm which was of a similar size and nature to the subject solicitation within the last five (5) years.

Please note that any references required as part of your bid/proposal submittal are in addition to those references required as part of this form.

Company Name: California Office of Energy Infrastructure Safety

Contact Name and Phone Number: Quang Pham, Project Manager | 916-902-6000

Contact Email: Quang.Pham@energysafety.ca.gov

Address: 715 P Street, 20th Floor, Sacramento CA, 95814

Contract Date: December 22, 2021

Contract Amount: \$ 389,000.00

Requirements of Contract: Crowe completed an independent forensic performance audit on behalf of the California Public Utilities Commission (subsequently completed under CalOEIS), in accordance with the Generally Accepted Government Auditing Standards (GAGAS), of regulated Investor-Owned Utilities' (IOUs) to determine compliance with reporting rules and regulations. The objective of the audit was to assess whether any wildfire-related expenses and/or investments reported were duplicative of operating and capital expenditures previously approved by the CPUC in General Rate Cases. One of the deliverables for this project was an expense tracking tool (Excel based) that the CPUC can use to track wildfire-related expenses including external vendor, internal labor and capital expenses for the selected IOUs.

Company Name: California Public Utilities Commission

Contact Name and Phone Number: Audrey Neuman, Project Manager | 415-703-2872

Contact Email: Audrey.Neuman@cpuc.ca.gov

Address: 505 Van Ness Avenue, San Francisco CA, 94102

Contract Date: May 17, 2021

Contract Amount: \$ 1,556,000.00

Requirements of Contract: Crowe assessed compliance with provisions contained within a Settlement Agreement with CPUC and the auditee under AICPA rules. The Settlement Agreement required the auditee to spend \$100 million on new electric vehicle charging infrastructure over four years. Crowe reviewed compliance with procurement and contracting policies and procedures as well as requirements contained within the Settlement Agreement (e.g., sole source, single source, RFP/RFO/RFI, pre-qualifications, evaluation criteria). We analyzed detailed permitting, planning, installation, capital and operation/maintenance costs to assess whether the auditee expended the required \$100 million in funding, and that costs were allowable in accordance with Settlement Agreement definitions for costs that were reasonable and allowable. We also assessed compliance with Settlement Agreement installation specifications. The results of the compliance examination were two detailed audit reports.

Company Name: California Public Utilities Commission

Contact Name and Phone Number: Sharmin Wellington | 916-928-9838

Contact Email: Sharmin.Wellington@cpuc.ca.gov

Address: 400 R St., Suite #221 Sacramento, CA 95811

Contract Date: 12/2018 to present

Contract Amount: \$ 240,000.00

Requirements of Contract: For the CPUC, Crowe provided assistance on a procurement and contracting audit of an investor-owned Class A water utility. Performed a compliance examination of over \$211M in engineering and capital construction projects, including assessing hundreds of contracts/projects spanning a twenty-year period. We performed extensive auditing of project change orders and made recommendations for controls over change order processes. Projects included design, construction management support, and construction. Larger firms we audited projects for included CH2M Hill, Brown and Caldwell, Tetra Tech, Teichert Construction, and Precision Pipeline (now MasTec).

**G. COMPLIANCE:**

1. In the past five (5) years, has your firm or any firm owner, partner, officer, executive, or manager been criminally penalized or found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for violating any federal, state, or local law in performance of a contract, including but not limited to, laws regarding health and safety, labor and employment, permitting, and licensing laws?  
 Yes       No

If Yes, use Attachment A to explain specific circumstances surrounding each instance. Include the name of the entity involved, the specific infraction(s) or violation(s), dates of instances, and outcome with current status.

2. In the past five (5) years, has your firm been determined to be non-responsible by a public entity?  
 Yes       No

If **Yes**, use Attachment A to explain specific circumstances of each instance. Include the name of the entity involved, the specific infraction, dates, and outcome.

**H. BUSINESS INTEGRITY:**

1. In the past five (5) years, has your firm been convicted of or found liable in a civil suit for making a false claim or material misrepresentation to a private or public entity?

Yes  No

If **Yes**, use Attachment A to explain specific circumstances of each instance. Include the entity involved, specific violation(s), dates, outcome and current status.

2. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government contract?

Yes  No

If **Yes**, use Attachment A to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

3. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a federal, state, or local crime of fraud, theft, or any other act of dishonesty?

Yes  No

If **Yes**, use Attachment A to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

4. Do any of the Principals of your firm have relatives that are either currently employed by the City or were employed by the City in the past five (5) years?

Yes  No

If **Yes**, please disclose the names of those relatives in Attachment A.

**I. BUSINESS REPRESENTATION:**

1. Are you a local business with a physical address within the County of San Diego?

Yes  No

2. Are you a certified Small and Local Business Enterprise certified by the City of San Diego?

Yes  No

Certification # \_\_\_\_\_

3. Are you certified as any of the following:

- a. Disabled Veteran Business Enterprise Certification # \_\_\_\_\_
- b. Woman or Minority Owned Business Enterprise Certification # \_\_\_\_\_
- c. Disadvantaged Business Enterprise Certification # \_\_\_\_\_

**J. WAGE COMPLIANCE:**

In the past five (5) years, has your firm been required to pay back wages or penalties for failure to comply with the federal, state or local prevailing, minimum, or living wage laws?  Yes  No If **Yes**, use Attachment A to explain the specific circumstances of each instance. Include the entity involved, the specific infraction(s), dates, outcome, and current status.

By signing this Pledge of Compliance, your firm is certifying to the City that you will comply with the requirements of the Equal Pay Ordinance set forth in SDMC sections 22.4801 through 22.4809.

**K. STATEMENT OF SUBCONTRACTORS & SUPPLIERS:**

Please provide the names and information for all subcontractors and suppliers used in the performance of the proposed contract, and what portion of work will be assigned to each subcontractor. Subcontractors may not be substituted without the written consent of the City. Use Attachment A if additional pages are necessary. If no subcontractors or suppliers will be used, please write "Not Applicable."

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Contractor License No.: \_\_\_\_\_ DIR Registration No.: \_\_\_\_\_

Sub-Contract Dollar Amount: \$\_\_\_\_\_ (per year) \$\_\_\_\_\_ (total contract term)

Scope of work subcontractor will perform: \_\_\_\_\_

Identify whether company is a subcontractor or supplier: \_\_\_\_\_

Certification type (check all that apply): DBE DVBE ELBE MBE SLBE WBE Not Certified

Contractor must provide valid proof of certification with the response to the bid or proposal to receive participation credit.

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Contractor License No.: \_\_\_\_\_ DIR Registration No.: \_\_\_\_\_

Sub-Contract Dollar Amount: \$\_\_\_\_\_ (per year) \$\_\_\_\_\_ (total contract term)

Scope of work subcontractor will perform: \_\_\_\_\_

Identify whether company is a subcontractor or supplier: \_\_\_\_\_

Certification type (check all that apply): DBE DVBE ELBE MBE SLBE WBE Not Certified

Contractor must provide valid proof of certification with the response to the bid or proposal to receive participation credit.

**L. STATEMENT OF AVAILABLE EQUIPMENT:**

A full inventoried list of all necessary equipment to complete the work specified may be a requirement of the bid/proposal submission.

By signing and submitting this form, the Contractor certifies that all required equipment included in this bid or proposal will be made available one week (7 days) before work shall commence. In instances where the required equipment is not owned by the Contractor, Contractor shall explain how the equipment will be made available before the commencement of work. The City of San



Diego reserves the right to reject any response, in its opinion, if the Contractor has not demonstrated he or she will be properly equipped to perform the work in an efficient, effective matter for the duration of the contract period.

M. **TYPE OF SUBMISSION:** This document is submitted as:

- Initial submission of *Contractor Standards Pledge of Compliance*
- Initial submission of *Contractor Standards Pledge of Compliance* as part of a Cooperative agreement
- Initial submission of *Contractor Standards Pledge of Compliance* as part of a Sole Source agreement
- Update of prior *Contractor Standards Pledge of Compliance* dated 12/18/2018.

**Complete all questions and sign below.**

Under penalty of perjury under the laws of the State of California, I certify that I have read and understand the questions contained in this Pledge of Compliance, that I am responsible for completeness and accuracy of the responses contained herein, and that all information provided is true, full and complete to the best of my knowledge and belief. I agree to provide written notice to the Purchasing Agent within five (5) business days if, at any time, I learn that any portion of this Pledge of Compliance is inaccurate. Failure to timely provide the Purchasing Agent with written notice is grounds for Contract termination.

I, on behalf of the firm, further certify that I and my firm will comply with the following provisions of SDMC section 22.3004:

- (a) I and my firm will comply with all applicable local, State and Federal laws, including health and safety, labor and employment, and licensing laws that affect the employees, worksite or performance of the contract.
- (b) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of receiving notice that a government agency has begun an investigation of me or my firm that may result in a finding that I or my firm is or was not in compliance with laws stated in paragraph (a).
- (c) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of a finding by a government agency or court of competent jurisdiction of a violation by the Contractor of laws stated in paragraph (a).
- (d) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of becoming aware of an investigation or finding by a government agency or court of competent jurisdiction of a violation by a subcontractor of laws stated in paragraph (a).
- (e) I and my firm will cooperate fully with the City during any investigation and to respond to a request for information within ten (10) working days.

**Failure to sign and submit this form with the bid/proposal shall make the bid/proposal non-responsive. In the case of an informal solicitation, the contract will not be awarded unless a signed and completed *Pledge of Compliance* is submitted.**

Bert Nurhring, Partner  
Name and Title

  
Signature

December 1, 2022  
Date

City of San Diego  
CONTRACTOR STANDARDS  
Attachment "A"

Provide additional information in space below. Use additional Attachment "A" pages as needed. Each page must be signed.  
Print in ink or type responses and indicate question being answered.

Section C, Question 1

In June 2018, Crowe changed its name from Crowe Horwath LLP to Crowe LLP. This is a name change only and not a change in legal structure or legal entity.

For a more detailed Firm History, please visit <https://www.crowe.com/news/crowe-history>

I have read the matters and statements made in this Contractor Standards Pledge of Compliance and attachments thereto and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief and as to such matters, I believe the same to be true. I certify under penalty of perjury that the foregoing is true and correct.

Bert Nurhring, Partner

Print Name, Title



Signature

December 1, 2022

Date

## 2.4 Equal Opportunity Contracting Forms

We have provided our Work Force Report and Contractors Certification of Pending Actions forms on the following pages.

*Due to varying file types, these pages will not display on the Table of Contents.*



**EQUAL OPPORTUNITY CONTRACTING (EOC)**

1200 Third Avenue, Suite 200 • San Diego, CA 92101  
Phone: (619) 236-6000 • Fax: (619) 236-5904

**WORK FORCE REPORT**

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

**NO OTHER FORMS WILL BE ACCEPTED  
CONTRACTOR IDENTIFICATION**

Type of Contractor:  Construction  Vendor/Supplier  Financial Institution  Lessee/Lessor  
 Consultant  Grant Recipient  Insurance Company  Other

Name of Company: Crowe LLP

ADA/DBA: \_\_\_\_\_

Address (Corporate Headquarters, where applicable): 225 West Wacker Drive, Suite 2600

City: Chicago County: Cook State: Illinois Zip: 60606

Telephone Number: 312-899-7000 Fax Number: 312-899-5300

Name of Company CEO: Mark Baer

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: 155 West Nationwide Blvd, Suite 500

City: Columbus County: Franklin State: Ohio Zip: 43215

Telephone Number: 614-469-0001 Fax Number: 614-365-2222 Email: mark.baer@crowe.com

Type of Business: Public Accounting, Counseling and Technogy Type of License: State Board of Accounting

The Company has appointed: Jane A. Hoff, Firmwide Human Resources Leader

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 330 East Jefferson Boulevard, South Bend, Indiana 46624-0007

Telephone Number: 574-232-3992 Fax Number: 574-236-8692 Email: jane.hoff@crowe.com

- One San Diego County (or Most Local County) Work Force – Mandatory  
 Branch Work Force \*  
 Managing Office Work Force

*Check the box above that applies to this WFR.*

*\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

I, the undersigned representative of Crowe LLP

(Firm Name)

Orange, California hereby certify that information provided

(County)

(State)

herein is true and correct. This document was executed on this 1st day of December, 2022



(Authorized Signature)

Bert Nuehring

(Print Authorized Signature Name)

**WORK FORCE REPORT – Page 2**

NAME OF FIRM: Crowe LLP DATE: December 1, 2022

OFFICE(S) or BRANCH(ES): \_\_\_\_\_ COUNTY: \_\_\_\_\_

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |                                      |   |
|--------------------------------------|---|
| (1) Black or African-American        | (5) Native Hawaiian or Pacific Islander                 |
| (2) Hispanic or Latino               | (6) White   |
| (3) Asian                            | (7) Other race/ethnicity; not falling into other groups |
| (4) American Indian or Alaska Native |   |

Definitions of the race and ethnicity categories can be found on Page 4

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial														
Professional														
A&E, Science, Computer														
Technical														
Sales														
Administrative Support														
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

\*Construction laborers and other field employees are not to be included on this page

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Grand Total All Employees**

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														



**WORK FORCE REPORT – Page 3**

NAME OF FIRM: \_\_\_\_\_ DATE: \_\_\_\_\_

OFFICE(S) or BRANCH(ES): \_\_\_\_\_ COUNTY: \_\_\_\_\_

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black or African-American
- (2) Hispanic or Latino
- (3) Asian
- (4) American Indian or Alaska Native
- (5) Native Hawaiian or Pacific Islander
- (6) White
- (7) Other race/ethnicity; not falling into other groups

Definitions of the race and ethnicity categories can be found on Page 4

TRADE OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Grand Total All Employees**

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

COMPID = N169561  
 UNITID = N169561

**EQUAL EMPLOYMENT OPPORTUNITY**  
**2020 EMPLOYER INFORMATION REPORT EEO-1**  
 Consolidated Report

**SECTION B – COMPANY IDENTIFICATION**

1. CROWE LLP  
 320 EAST JEFFERSON BOULEVARD  
 SOUTH BEND, IN 46601

2.a. CROWE LLP  
 320 EAST JEFFERSON BOULEVARD  
 SOUTH BEND, IN 46601

c. EIN= 350921680

**SECTION C – TEST FOR FILING REQUIREMENT**

1-Y 2-Y 3-Y DUNS=061567608

**SECTION E – ESTABLISHMENT INFORMATION**

NAICS: 541211 - Offices of Certified Public Accountants

**SECTION D – EMPLOYMENT DATA**

JOB CATEGORIES	Hispanic or Latino		Non-Hispanic or Latino												Overall Totals
	Male	Female	***** Male *****						***** Female *****						
			White	Black or African American	Native Hawaiian Or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Native Hawaiian Or Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	
Exec/Sr. Officials & Mgrs	6	0	323	4	2	17	0	2	127	1	1	7	0	5	495
First/Mid Officials & Mgrs	27	19	609	15	1	55	0	7	435	16	0	48	0	5	1237
Professionals	62	57	663	26	1	87	1	13	462	47	0	128	0	22	1569
Technicians	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	1	13	16	1	0	1	0	0	104	18	0	2	0	2	158
Craft Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laborers & Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	96	89	1611	46	4	160	1	22	1128	82	1	185	0	34	3459
Previous Year Total	115	107	1606	54	4	195	1	24	1285	75	2	192	0	36	3696

**SECTION F – REMARKS**

DATES OF PAYROLL PERIOD: 11/1/2020 THRU 11/15/2020

**SECTION G – CERTIFICATION:** CERTIFIED DATE: 8/31/2021 6:30 AM

CERTIFYING OFFICIAL: Julie Wood  
 EMAIL: julie.wood@crowe.com

TITLE: Chief People Officer  
 PHONE: 630-586-5208  
 TITLE: Assistant Director - Human Resources  
 PHONE: 317-208-2568

EEO-1 REPORT CONTACT PERSON: Jodi Courtney  
 EMAIL: jodi.courtney@crowe.com

**AA. CONTRACTORS CERTIFICATION OF PENDING ACTIONS**

As part of this Contract, the Contractor must provide to the City a list of all instances within the past 10 years where a complaint was filed or pending against the Contractor in a legal or administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers, and a description of the status or resolution of that complaint, including any remedial action taken.

CHECK ONE BOX ONLY.


- The undersigned certifies that within the past 10 years the Contractor has NOT been the subject of a complaint or pending action in a legal administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers.
- \* The undersigned certifies that within the past 10 years the Contractor has been the subject of a complaint or pending action in a legal administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers. A description of the status or resolution of that complaint, including any remedial action taken and the applicable dates is as follows:

DATE OF CLAIM	LOCATION	DESCRIPTION OF CLAIM	LITIGATION (Y/N)	STATUS	RESOLUTION/ REMEDIAL ACTION TAKEN
---------------	----------	----------------------	------------------	--------	-----------------------------------

\* Like all large professional service firms, Crowe LLP (Crowe) is subject to claims from time to time for a variety of reasons, and we occasionally receive notice of claims. Crowe has pending litigation, but it is Crowe's policy not to discuss any specific matters. However, in the view of management there are no (a) current claims that will result in significant losses to Crowe or (b) pending or threatened litigation that could affect its ability to perform the required services.

Contractor Name: Crowe LLP

Certified By Bert Nuehring Title Partner  
Name

 Date December 1, 2022  
Signature

---

## 2.8 Additional Information as required in Exhibit B

We have provided the additional information as required in **Exhibit B Scope of Services** under Tabs B and C of our proposal.

Our intent is to provide the City of San Diego (City) with a concise yet comprehensive narrative that addresses the City's Evaluation Criteria, as well as the following requirements of Exhibit B:

- A. Specifications (Tab B)
- B. Technical Representation (Tab B)
- C. References (Tab B)
- D. Compensation and Fee Schedule (Tab C)



## Tab B - Executive Summary and Responses to Specifications



# Proposal to Provide Independent Audit of San Diego Gas & Electric (SDG&E) Gas and Electric Franchise

**Submitted to:**

William Eames, Senior Procurement Contracting Officer  
City of San Diego  
Purchasing & Contracting Department  
1200 Third Avenue, Suite 200  
San Diego, California 92101

December 1, 2022

Solicitation Number 10089981-23

**Submitted by:**

Bert Nuehring, Partner  
Direct 630.706.2071  
[bert.nuehring@crowe.com](mailto:bert.nuehring@crowe.com)

Crowe LLP  
650 Town Center Drive, Suite 740  
Costa Mesa, California 92626-7192  
Tel 714.668.1234  
Fax 714.668.1235

2.10 Title Page





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## 2.12 Executive Summary

We are pleased to provide our response to your Request for Proposal (RFP) for Independent Audit of San Diego Gas & Electric (SDG&E) Gas and Electric Franchise. We plan to conduct these evaluation services under U.S. Government Accountability Office's Government Auditing Standards (GAGAS) Performance Auditing Standards. We understand the contract terms shall be for a period of two (2) years beginning on the Contract Effective Date. We also understand the City may, in its sole discretion, extend this Contract for one (1) additional two (2) year period(s).

Within the scope of our proposed audit work and professional relationship, we will:

- Deliver services that are timely, accurate and informative to you and your stakeholders;
- Deliver what we promise – on time, on budget, and with the highest quality;
- Invest time designing audit approaches, tools and methodologies that optimize available resources and minimize disruption to the City of San Diego (City); and
- Provide thought leadership that is practical, timely, and reliable to help you think forward.

Our public sector specialists proposed for the project will draw from a range of GAGAS-related audit experience, including numerous audits and consulting projects for public sector entities. Crowe brings experience with over 250 consulting/audit engagements conducted for public sector agencies and departments.

One of the ways that Crowe is perhaps uniquely qualified for this engagement is that in performing so many audits of a similar nature to this audit, Crowe personnel regularly relies on audit procedures, checklists, and sample report templates. As a large public accounting and audit firm, Crowe performs many of the same types of audits. Additionally, we recently completed audits of large utility companies and understand the unique challenges that accompanies such audits. Consequently, because we rely on a range of similar documents/materials, this will allow us to "hit the ground running."

As you will see throughout the proposal, we have developed a comprehensive plan explaining how we will perform our services. In short, the City will benefit from Crowe's approach and expertise in the following ways:

- **Experience with Utilities.** We have conducted similar engagements for various utilities nationwide. For example, for the CPUC, we have recently conducted independent audits of Pacific Gas & Electric's Caltrain Electrification Project expenses, a large GAGAS audit of California wildfire mitigation program spending, for work across the State, which was incurred by six (6) energy Investor-Owned Utilities (IOUs) regulated by the CPUC, of NRG, Inc. (Evgo), Golden State Water Company, and 45 telecommunications carriers.
- **Experience Auditing Franchise Agreements and Memorandums of Understanding.** We have recently completed audits of Venice Beach Business Improvement District's MOU with the City of Los Angeles, City College of San Francisco's MOU with the City of San Francisco, and Waste Management's Franchise Agreement with City of Los Angeles.
- **Leading Internal Audit & Risk Service Provider.** Crowe can draw on over 650 dedicated audit professionals nationally and over 1,000 globally with thought leadership and in-depth experience working for government agencies. Crowe is a nationally recognized leader in corporate governance, internal audit, performance and compliance auditing, fraud, ethics and anti-corruption services. We deliver audit and risk related services to over 600 government or quasi-government organizations.
- **Government Audit Quality.** We maintain close working relationships with accounting regulatory agencies through active committee leadership roles on the AICPA's State and Local Government Expert Panel (SLGEP), GAQC, GFOA, and the US Comptroller General Advisory Council on Government Auditing Standards. We also volunteer as reviewers for GFOA certificate programs. Crowe LLP (Crowe) is the only firm in the US with two partners on the SLGEP. We obtain early insights to all the new accounting and auditing standards, and we can clearly articulate the potential impact of new standards.
- **Commitment to Quality Deliverables.** Our team has extensive experience with developing high-quality reports and deliverables for similar public sector clients. Using our internal work processing and graphics capabilities, Crowe will provide the City with a highly refined work product, but also one that it can evolve over time as conditions change.

Thank you for taking the time to consider our proposal. We are looking forward to demonstrating why Crowe is the best firm to engage for your audit needs.

## 2.13 Proposer's Response to the RFP

In this section we provide our understanding of the project, our approach, methodology and timeline to complete the compliance audit of SDG&E. This section is organized as follows:

- A. *Project Overview*
- B. *Assessment Background*
- C. *Audit Methodology*
- D. *Project Timeline*

### A. Project Overview

We understand that the City of San Diego Department of Sustainability and Mobility requires an experienced, proficient audit firm to provide an independent assessment of San Diego Gas & Electric's (SDG&E) performance under the gas and electric franchises in July 2021 for the designated 2-year compliance period.

Crowe understands the report will cover the performance per the term of the following:

- Franchises – Exhibit D
- Administrative MOU – Exhibit E
- Utility Undergrounding Program – Exhibit F
- Energy Cooperation Agreement associated with the Franchises – Exhibit G.

Crowe will perform an evaluation of SDG&E's conformance and compliance with all conditions of the Franchise and produce a written report documenting the work performed and the conclusions reached. The evaluations will address SDG&E's fulfillment of financial, operational, documentary, and cooperative requirements under the Franchise. Crowe also understands that if SDG&E fails to cooperate, our report shall document the refusal and any reason SDG&E stated for failing to cooperate.

Finally, Crowe understands that the scope of work also includes development of adjunct materials such as report synopses and presentations to the Franchise Compliance Review Committee, City Council and/or committee meetings, and any additional briefing materials as identified by City staff.

### B. Assessment Background

The City has a franchise with San Diego Gas & Electric (SDG&E or Grantee) for electric service and for gas service (Franchises). The City and SDG&E entered into these Franchises on June 11, 2021, passing ordinance O-21327 regarding transmitting and distribution of gas, and ordinance O-21328 regarding transmitting and distributing electricity. SDG&E commenced operations under these Franchises on July 11, 2021 (Effective Date) and they are effective for a primary term of ten (10) years.

#### 1. Franchise Consideration

As consideration for the use of City streets, for the gas Franchise, SDG&E is required to pay a bid amount of \$10,000,000 and a sum of three (3) percent of its gross gas revenues.<sup>1</sup> SDG&E is required to pay a bid amount of \$70,000,000 and a sum of sum of three (3) percent of its gross electric revenues. The bid amount is not recoverable through rates charged to customers (i.e., approved by the CPUC).

SDG&E is required to submit reports to the City on February 15th of each year that include gross receipts for the prior calendar year. Payments are made to the City on a quarterly basis based on the prior year gross receipts and are trued up at the end of the year based on actual results for the year. Late payments are subject to delinquency fee of 2 percent of the amount owed and 1 percent of the amount due per month of delay.

*1. With credits for City-imposed fees for right-of-way usage. SDG&E also is required to pay applicable statutory surcharges (e.g., municipal lands use surcharge).*

## 2. Compliance Assessment

Section 6 of the franchise specifies that the City hire an independent auditor to conduct an audit of SDG&E's compliance with the franchise every two years after the Effective Date. The audit must address the Grantee's fulfillment of financial, operational, documentary, and cooperative agreements under the Franchises.

To oversee the audit and receive the report, the City is required to establish a Franchise Compliance Review Committee (Review Committee) made up of:

- 3 appointees from the City Council
- 2 appointees selected by the Mayor.

The Review Committee provides the auditor's report and its own report with recommendations to the City Council within 180 days of the end of each two-year period of the Franchise term.

The compliance assessment will cover SDG&E's compliance with the following:

- Franchises
- Administrative MOU
- Utility Undergrounding MOU
- Energy Cooperation Agreement associated with Franchises
- Underground MOU.

The compliance assessment will cover two periods of time:

- July 1, 2021 to June 30, 2023
- July 1, 2023 to June 30, 2025.

## 3. Overview of Compliance Areas

There are wide range of compliance areas contained within the Franchises and various MOUs. Below we provide examples of key compliance language contained in the Franchises:

- Compliance with Laws (Section 7 of the Franchise) – SDG&E must construct, maintain, and use or remove all facilities and equipment in accordance with Applicable law and City ordinances, rules, and regulations, State rules and regulations, and CPUC or other government entity orders.
- Relocation Efforts (Section 8 of the Franchise) – In cases where the City's street work conflicts with existing SDG&E facilities, within 90 days following a request from the City Manager, SDG&E must substantially complete designs for the portions of work impacting its facilities and begin the field construction of changing the location of conflicting facilities or equipment.
- Administrative MOU (Section 9 of the Franchise) – SDG&E must obtain and maintain in force an Administrative MOU. The Administrative MOU must prescribe the categories of work the Grantee may perform without additional specific permits and the categories of work that will require additional specific permits. The Grantee submits an application for Administrative MOU every two years and the City Manager grants the Administrative MOU with 30 days of the application. The Administrative MOU application must include a list of projects the Grantee intends to perform over the two years (Two-Year Plan). The Grantee also must be a member and active participant of the Joint Utilities Coordinating Committee which includes the City as well as telephone and cable service company representatives.
- In case of City Manager-declared emergencies, Section 9(b)(1) also requires SDG&E to provide GIS coordinate data and other location records of Grantee facilities. This data must be in a form and type determined by the Grantee to be in accordance with Good Utility Practice.
- Climate Action, Local Energy, Energy Justice, and Purchasing of Local Materials (Section 10 of the Gas Franchise, Section 12 of the Electric Franchise) – SDG&E must cooperate in good faith with the City's desire to accomplish goals set in the Climate Action Plan dated December 2015.

Examples of these efforts include:

- Assist to reduce greenhouse gas emission related to generation of gas used by customers

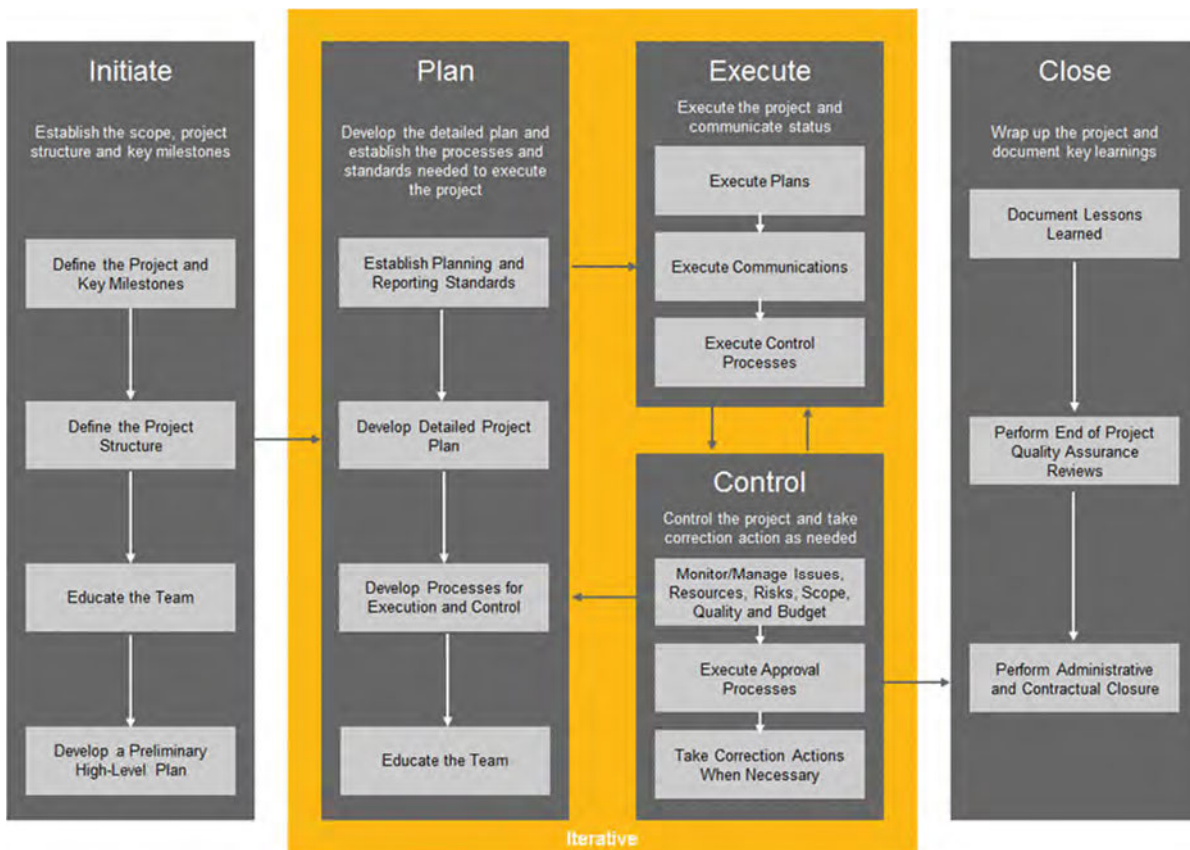
- Assist in the goal to have all electricity used in the City from renewables by 2035
- Support expansion of non-gas resources and other economic mechanisms to foster development of local renewable fueled electric distributed resources, electric storage, microgrids, electric transportation, and other technologies to be increasingly integrated with the design and operation of the electric distribution system
- Use efforts to assist in fulfilling the Climate Equity Index recommendations (e.g., assist with grant funding opportunities, public engagement efforts, sustainability ambassador program, mechanisms to incorporate into City programs/projects, and updating the index)
- The Grantee also is required to comply with terms of the Energy Cooperative Agreement. This agreement provides points of alignment and cooperation with the City’s policy directives specified in Section 10.
- Purchasing of Local Materials (Section 11) – SDG&E is required to use reasonable efforts to operate its business in a manner that a majority of purchasing of materials and supplies used in connection with its business occur at addresses located in the City.

### C. Audit Methodology

#### Project Management

Our structured approach to managing contracts and complex audits for our clients has been an important factor in our successful performance of consulting and auditing engagements. Our structured approach to managing this project involves four (4) phases, which we summarize below in **Exhibit 1**.

**Exhibit 1**  
**Project Management Methodology**



### 1. Initiate

Our initial efforts in planning our response to the RFP were to obtain, and carefully review, several background documents to gain a better understanding of the requirements for the SDG&E audit. Documentation we reviewed included the RFP, franchises, memoranda of understanding (administrative, utility undergrounding) and the energy cooperative agreement.

### 2. Plan

We will conduct a kickoff meeting to confirm the project's objectives and scope, to establish an efficient means to coordinate areas of the contract, to determine a mutual understanding of the project, and to clearly communicate City and Crowe roles. We also will complete an audit plan and program which describes our adherence to GAGAS, our sampling methodology, and detailed audit procedures.

We will establish our internal engagement control files, which include project and task budgets and the approved audit work plan. We also will establish the standards and contents for the SDG&E audit files. We will utilize our internal Crowe project time and expense reporting system to track and report each individual's hours and out-of-pocket expenses on this project. We also will assign every team member specific responsibilities for managing and/or completing work tasks.

### 3. Execute

Project management activities will include the following:

- Maintain close liaison and communication with City Project Manager.
- Provide monthly updates to the Project Manager including audit plan progress, summaries of issues and challenges, and projected milestones and next steps, and other information.
- Address any problems promptly, and obtain City approval for a solution, if appropriate.
- Supervise the technical quality of our work, which includes frequent reviews of work completed and plans for subsequent work, and close inspection of deliverable products before release to the City.
- Report time, expenses, and work completed each month to the City.
- Monitor project progress, including reviewing work completed vs. planned schedule and budget, and take action in areas of schedule slippage, if any.
- Thoroughly review drafts and finals of all draft and final procurement audit reports, as well as the final report with the City.
- Prepare monthly invoices.

### 4. Close

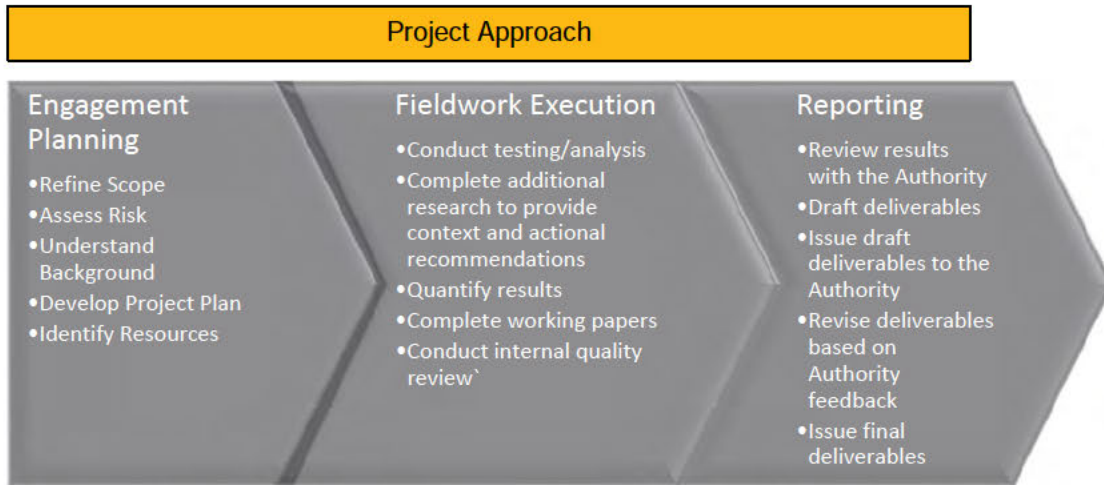
At the project's conclusion, we will:

- Conduct a meeting with the City to determine that all of Crowe's responsibilities have been fulfilled.
- Consolidate and store project work papers and the engagement control file.
- Complete internal project documentation.
- Review performance of project personnel.
- Maintain project files for five years.



## Audit Approach

Our proposed team has extensive experience with auditing utilities on behalf of governmental entities and the expertise to assist the City in this important endeavor. Our approach to delivering high quality services is described below.



### Phase I – Engagement Planning

The first phase in engagement planning is to refine the project scope and establish a detailed project plan. During this phase, we will hold an initial planning meeting with the City to refine the audit or project scope, clarify expectations, and communicate schedules. It is also during this meeting that we will obtain the City's input regarding specific risks that the City has identified. Through the planning meeting and our pre-audit research and procedures, we will also obtain a more thorough understanding of SDG&E requirements (current and historical, where applicable) and any known, relevant, previously documented issues. Such issues may have been reported as a result of prior internal or external audits, monitoring performed by government agencies, financial or programmatic monitoring reports, or examinations and agreed-upon-procedures engagements.

Once these activities have been completed, we will develop a detailed project plan that will include the specific individuals from our team of professionals who will be working on the project. We will then identify the specific procedures to be executed to accomplish the City's audit objectives.

Crowe will provide the City with an audit plan which details the audit scope and methodology, objectives, strategy and approach to addressing relevant risks, schedule, location of fieldwork and any necessary coordination with other auditors and specialists, sources of evidence, initial materiality thresholds (where applicable), and engagement team members which will be serving on this project.

### Phase II – Fieldwork Execution

Fieldwork is the culmination of the continuous planning and risk assessment process. This involves updating our understanding of the business operations, business processes, internal controls, financial and non-financial indicators, and results of reviews to affirm that our programs are addressing the identified risks and to capture and address new risks observed during our procedures.

Our fieldwork will focus on those matters that fall within the scope of the RFP and review of other matters as defined and required by the City and/or applicable auditing standards. Our fieldwork approach involves putting all of the pieces together to provide meaningful and accurate results to the City, its stakeholders, and other users of the final reports and deliverables.

Fieldwork will likely include, but will not be limited to, the following steps specific to the audit objectives:

- Conduct testing procedures over the samples identified and communicated to the agency or department and expand those samples, as necessary
  - We will obtain relevant population records from which the random individual records will be selected.

- Based on the results of the planning phase above, we will make selections and request supporting documentation for each individual record to be tested.
- Document testing results and conclusions
  - This will consist of an analysis of the SDG&E's overall compliance with franchise requirements.
- Identify preliminary exceptions based on our procedures if any

At the conclusion of our fieldwork, the Crowe project manager will complete a detailed review of the working papers including reviewing supporting documentation for exceptions noted. After the working paper review is completed, we will schedule and hold a fieldwork closeout meeting with SDG&E and the City to discuss the preliminary exceptions (if applicable) identified during fieldwork and seek to obtain agreement on the facts that underlie each exception. We will also discuss the recommendations that were identified to address the condition and the cause noted from each exception.

Throughout the audit, constant and continuous communications will occur in order to encourage an open dialogue between Crowe, the City and SDG&E.

### **Phase III – Reporting**

During this final phase of each audit, Crowe will:

- Complete the engagement quality control and assurance procedures as documented by working paper reviews completed by the engagement partner
- Hold a formal exit meeting that will include participants from the City, Crowe, and, if necessary, SDG&E
- Complete the initial draft of the audit report
- Complete Crowe's quality assurance process, as evidenced by our Assurance and Professional Practice's (APP's) sign-off on the draft report
- Issue the draft report to the City and SDG&E for feedback
- Obtain responses from the City and/or SDG&E's responsible officials
- Finalize the audit report.

### **Crowe Detailed Compliance Assessment Procedures**

Based on our initial evaluation of the Franchises and MOUs, and in order to demonstrate our understanding of the extent of nuanced compliance requirements, Crowe developed a set of procedures we plan to use to conduct the compliance assessment. During the initial planning phase of the project, Crowe will work with the City to clarify assessment objectives and refine these procedures to meet the City's objectives. Our procedures are organized by document as shown in **Exhibits 2 to 5** as follows:

- Compliance with Franchises (Exhibit 2)
- Compliance with Administrative MOU (Exhibit 3)
- Compliance with Utility Undergrounding Program MOU (Exhibit 4)
- Compliance with Energy Cooperative Agreement associated with the Franchises (Exhibit 5).

Based on initial risk assessment, and discussion with the City, our procedures generally will involve the following techniques:

- Document evaluation
- Interviews of City personnel, which may include those from City management, Engineering and Capital Projects Construction Management Field Division, Development Services Department, accounting, legal, and information technology
- Interviews of SDG&E personnel, which may include representatives from management, programs, accounting, design/engineering, public affairs
- Data analysis
- Sampling from population of data.

While our procedures below are shown for each compliance area, during our interviews we expect to consolidate and cover multiple compliance areas in order to make the interviews most efficient and productive.



## Exhibit 2

## Crowe Procedures to Assess SDG&amp;E Compliance with Franchises

Compliance Area	Reference	Procedures
Payment of Bid Amount and Franchise Fees	Franchise, Section 4	<ul style="list-style-type: none"> <li>Obtain City documentation confirming payment of applicable bid amount and quarterly fees (reports of gross receipts signed by CFO, remittance advice, bank wire information, bank statement, proof recorded in general ledger)</li> <li>Obtain documentation from SDG&amp;E supporting gross receipts (e.g., financial statements, trial balance, billing file), including adjustments for non-franchised activities</li> <li>Obtain and assess accuracy of SDG&amp;E calculation of amounts due to City based factors such as bid amount payment timing and on gross receipts definition</li> <li>Verify that promissory notes (interest bearing) were delivered to City pledging payments of portions of bid amount through 2031</li> <li>Assess payment accuracy, timeliness, and late fees, if applicable</li> </ul>
Compliance with Laws	Franchise, Section 7	<ul style="list-style-type: none"> <li>Obtain/review applicable policies, laws, and regulations</li> <li>Interview City personnel (e.g., public works personnel, legal personnel)</li> <li>Obtain City documentation of violations, if applicable</li> <li>Interview SDG&amp;E personnel to determine causes for non-compliance and/or corrective action taken, if applicable</li> <li>Assess whether SDG&amp;E complied with applicable policies, laws and regulations</li> </ul>
Relocation Efforts	Franchise, Section 8	<ul style="list-style-type: none"> <li>Interview City personnel (e.g., public works personnel, inspectors)</li> <li>Determine population of applicable cases requiring relocation; sample cases and review documentation (design documents) related to SDG&amp;E efforts to meet requirement, including design submittals and timing</li> <li>Interview SDG&amp;E personnel to determine causes for non-compliance, if applicable</li> <li>Assess whether SDG&amp;E complied with required relocation provisions</li> </ul>
Administrative MOU	Franchise, Section 9	<ul style="list-style-type: none"> <li>Obtain applicable MOUs, applications for updates to the MOU</li> <li>Interview City management regarding process used to agree on MOU terms/conditions</li> <li>Obtain and review Two-Year Plan</li> <li>Interview Joint Utilities Coordinating Committee chair/lead</li> <li>Assess whether SDG&amp;E complied with requirement to maintain an Administrative MOU with the City</li> </ul>
Providing Location Data	Franchise, Section 9	<ul style="list-style-type: none"> <li>Interview City staff (e.g., public works, IT personnel)</li> <li>Obtain documentation to confirm that SDG&amp;E provided applicable GIS data, if applicable</li> <li>Assess the timeliness and completeness of SDG&amp;E response to location data requests from City Manager</li> </ul>
Undergrounding of Facilities	Franchise, Section 10 (Electric)	<ul style="list-style-type: none"> <li>Obtain SDG&amp;E budgets for Rule 20 undergrounding projects</li> <li>Obtain documentation supporting amounts received annually by SDG&amp;E for Rule 20 funding</li> <li>Obtain documentation from SDG&amp;E supporting actual amounts expended annually for Rule 20 projects</li> <li>Obtain documentation furnished by SDG&amp;E to the City to support project planning (e.g., design information, costs)</li> <li>Interview City personnel to determine extent to which Grantee coordinated and communicated with City on undergrounding activities</li> <li>Assess whether SDG&amp;E is applying for authority to budget the appropriate percentage of gross revenues within base rates and properly expending those funds on Rule 20 projects</li> <li>Assess whether a new or amended Underground MOU was negotiated in accordance with timing requirements</li> </ul>
Coordination with Community Choice Aggregation (CCA)	Franchise, Section 11 (Electric)	<ul style="list-style-type: none"> <li>Interview City staff (e.g., public works) to determine Grantee level of assistance in implementation of CCA, and compliance with CCA Code of Conduct, if applicable</li> </ul>

Compliance Area	Reference	Procedures
Climate Action, Local Energy, Energy Justice, and Purchasing of Local Materials	Franchise, Section 10 (Gas), 12 (Electric)	<ul style="list-style-type: none"> <li>• Obtain documentation supporting violations if applicable (e.g., rate payer funded marketing or lobbying efforts)</li> <li>• Assess extent to which SDG&amp;E is cooperating with CCA requirements</li> <li>• Obtain and review City Climate Action Plan</li> <li>• Interview City personnel (management and SMEs) responsible for climate action, local energy use, and energy justice programs</li> <li>• Obtain documentation/reports demonstrating SDG&amp;E level of participation in these efforts</li> <li>• Interview SDG&amp;E personnel to determine efforts to participate in these efforts</li> <li>• Assess compliance with good faith effort to assist the City with these programs</li> </ul>
Purchasing of Local Materials	Franchise, Section 11 (Gas)	<ul style="list-style-type: none"> <li>• Obtain documentation from SDG&amp;E that identifies the locations of vendors used for purchases of services and materials</li> <li>• Perform data analysis to determine quantities of local spend</li> <li>• Interview SDG&amp;E management to determine approaches used to purchase locally</li> <li>• Assess whether SDG&amp;E is making good faith efforts to purchase local materials</li> </ul>
Repair Costs	Franchise, Section 12 (Gas), 14 (Electric)	<ul style="list-style-type: none"> <li>• Interview City personnel to determine the extent, timing, and amount of payments made by Grantee to City for repairs</li> <li>• Obtain documentation to support payments to City for cost of repairs to City property made necessary by franchise operations</li> <li>• Assess whether SDG&amp;E paid the City for the cost of repairs</li> </ul>
Liquidated Damages	Franchise, Section 12 (Gas), 15 (Electric)	<ul style="list-style-type: none"> <li>• Interview City personnel to determine the extent, timing, and amount of liquidated damages charged to Grantee</li> <li>• Obtain documentation to support City damage assessments and payments to City for liquidated damages</li> <li>• Interview SDG&amp;E to determine how/whether it cured the condition and/or paid for liquidated damage assessments</li> <li>• Assess whether SDG&amp;E paid the City for the cost of repairs</li> </ul>
Performance Bond	Franchise, Section 20 (Gas), 22 (Electric)	<ul style="list-style-type: none"> <li>• Obtain documentation to support SDG&amp;E has filed and maintained a faithful performance bond</li> <li>• Assess whether SDG&amp;E is in compliance with this requirement</li> </ul>



**Exhibit 3**

**Crowe Procedures to Assess SDG&E Compliance with Administrative MOU**

Compliance Area	Reference	Procedures
General Work Requirements	Section 4	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E work conformed with Municipal Code Chapter 6, Article 2, Division 11; and complied with City requirements and applicable laws</li> <li>Assess compliance with general work requirements</li> </ul>
MOU Permit	Sections 5 and 6	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with permitting requirements for each type of work category (Category 1, 2, 3, 4 and Master Plan Approvals). This will include obtaining permit documentation for a sample of projects within each work category. Additionally, we will assess the extent to which SDG&amp;E provided an online Work Portal for Category 1 projects with the required project profile information; consulted with the City' Project Map Finder to determine that no projects conflict with other field activities; and displayed signage at each project location</li> <li>Assess compliance with MOU permit requirements</li> </ul>
Traffic Control Permits	Section 7	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E applied for a Street/Sidewalk Blockage Form (SSWBF) and Traffic Control Plan (TCP), if applicable, for projects that impeded vehicular, bicycle, or pedestrian traffic; and developed Working Drawings for various scenarios in developing TCPs</li> <li>Assess compliance with traffic control permit requirements</li> </ul>
Work Hours	Section 8	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with work hour requirements</li> <li>Assess compliance with work hour requirements</li> </ul>
Notification and Inspection Requirements, Commencement of Emergency Work and Preconstruction Activities	Section 10	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree for non-Emergency Work (other than Category 1) SDG&amp;E contacted CMFE via e-mail to notify upcoming commencement of construction, invited CMFE to a pre-construction meeting, and provided a work schedule; for Emergency Work SDG&amp;E complied with notification requirements in Municipal Code section 62.1211 and when the emergency is no longer occurring applied for the appropriate permit; and notified the City Liaison of impacted facilities prior to the start of work affecting access to public/private facilities; coordinated conflict checks in the ROW for Category 2 projects; and coordinated work with the City regarding street repair redundancy</li> <li>Assess compliance with notification requirements</li> </ul>
Construction Requirements	Section 11	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with street repair requirements (e.g., restored in compliance with applicable laws); developed a process for approving third-party labs to perform soil/compaction tests; and restored landscaping and the site</li> <li>Assess compliance with construction requirements</li> </ul>
Cooperation & Coordination with City Projects and City Work	Section 12	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with collaboration requirements (e.g., electronic methods of coordination, re-designed when conflicts arise, met monthly to review schedules, commended relocation of facilities within 90 days after request from City, identified opportunities to improve noticing periods and communication, performed on-site field meetings to establish Standby Service requirements, performed exposure of its facilities, developed processes to identify projects that need Standby Services, and management support for cases involving imminent threats)</li> <li>Assess compliance with coordination requirements</li> </ul>

Compliance Area	Reference	Procedures
ArcGIS	Section 13	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with development of an online website displaying GIS data, including making available GIS information describing facilities in the ROW, determining appropriate attributes, and making monthly updates</li> <li>Assess compliance with ArcGIS requirements</li> </ul>
Two-Year Plan	Section 14	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with development of the Two-Year Plan cataloging planned projects into appropriate classifications (e.g., regular maintenance, minor repairs, major repairs); and made updates based on City input</li> <li>Assess compliance with Two-Year Plan requirements</li> </ul>
Permanent Survey Markers	Section 15	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with survey requirements for cases where markers are disturbed during construction</li> <li>Assess compliance with survey requirements</li> </ul>
Request for Records	Section 19	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with requests for records (i.e., within 10 days of sufficient detail)</li> <li>Assess compliance with request for records requirements</li> </ul>
Security and Safety of Work Area	Section 20	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with requirements to maintain, cleanup and secure work areas</li> <li>Assess compliance with security and safety requirements</li> </ul>
Hazardous Substance	Sections 21-25	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with hazardous substance requirements (e.g., obtain approvals, containerization, bear cost of remediation, removal, notice of release)</li> <li>Assess compliance with hazardous substance requirements</li> </ul>
NPDES, Storm Water Management	Sections 26-27	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E complied with NPDES permit and storm water management requirements (e.g., best management practices)</li> <li>Assess compliance with NPDES and storm water management requirements</li> </ul>
Joint Utilities Coordinating Committee (JUCC)	Section 30	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E participated in the JUCC.</li> <li>Assess compliance with JUCC participation requirements</li> </ul>



## Exhibit 4

## Crowe Procedures to Assess SDG&amp;E Compliance with Utility Undergrounding Program

Compliance Area	Reference	Procedures
Project Identification and Prioritization	Section 4.2.2	<ul style="list-style-type: none"> <li>Obtain documentation to support that SDG&amp;E provided information on areas with High Fire Threat (HFT) District most beneficial to wildfire mitigation; as well as existing above ground facilities to aid with planning level project cost estimates</li> <li>Obtain documentation to support where SDG&amp;E assisted with City Council meetings related to climate risk and public safety</li> <li>Assess compliance with project information requirements</li> </ul>
Underground Utilities Districts	Sections 4.3, 4.5	<ul style="list-style-type: none"> <li>Obtain documentation to support that SDG&amp;E participated in review of draft Underground Utilities District boundaries (e.g., written comments), attended field review meetings (e.g., minutes), advised on adjustments to draft boundaries (written comments) to achieve project cost efficiencies, and worked with communication infrastructure providers to identify attachments to poles within District</li> <li>Obtain documentation to support prompt notifications by SDG&amp;E for suggested modifications of boundaries</li> <li>Assess compliance with Underground Utilities Districts assistance requirements</li> </ul>
Safety	Section 4.7	<ul style="list-style-type: none"> <li>Obtain SDG&amp;E safety policy</li> <li>Interview City personnel to determine if SDG&amp;E employees adhered to safety policy</li> <li>Obtain documentation of SDG&amp;E violations of its safety policy</li> <li>Assess compliance with safety policy</li> </ul>
Program Level Communication	Section 5.1, 14	<ul style="list-style-type: none"> <li>Obtain documentation to support that SDG&amp;E staff are meeting on at least a monthly basis to review project related information, including project progress, risks, schedule, delays (e.g., meeting agendas, meeting attendee lists, and meeting notes)</li> <li>Obtain documentation to support SDG&amp;E DPOA assignment</li> <li>Assess compliance with program level and enhanced communication requirements</li> </ul>
City/Grantee Cooperation with Design and Project Management	Section 6.2	<ul style="list-style-type: none"> <li>Obtain documentation to support that SDG&amp;E provided the updated Qualified Designer List (on its website); reviewed components of City design bid packages; cooperated in timely scheduling and attendance at project kickoff; provided access to SDG&amp;E controlled software or databases needed for design</li> <li>Obtain documentation to support SDG&amp;E reviewed design submittals, bid package review submittals and other relevant submittals for conformance with SDG&amp;E standards; and that SDG&amp;E cooperated in sequencing design approvals to align with construction sequencing</li> <li>Assess compliance with design and project management requirements</li> </ul>
Grantee Acceptance of Design Performed by City	Section 6.3	<ul style="list-style-type: none"> <li>Obtain documentation to support that SDG&amp;E provided a written Notice of Design Acceptance for each Rule 20 project; provided explanations for changes after Notice of Design Acceptance; and minimized design changes after bid package preparation is complete.</li> <li>Assess compliance with design acceptance requirements</li> </ul>
Grantee Easements for Joint Projects	Section 6.4., 7.11	<ul style="list-style-type: none"> <li>Obtain documentation to support that SDG&amp;E managed communications with property owners, prepared and processed applicable easement forms; reviewed and approved easement terms and conditions with property owners; and provided qualified personnel for execution</li> <li>Assess compliance with easement requirements</li> </ul>
City Construction Scope and Streetlight Coordination	Section 6.7, 6.8, 7.8	<ul style="list-style-type: none"> <li>Interview City staff, and obtain supporting documentation, to determine extent to which SDG&amp;E provided wiring up to service points (for streetlighting); participated in resolving issues with joint construction; and met/coordinated streetlight installation</li> <li>Assess compliance with City construction scope and streetlight requirements</li> </ul>



Compliance Area	Reference	Procedures
Field Change Orders	Section 6.10	<ul style="list-style-type: none"> <li>Obtain documentation to support whether SDG&amp;E reviewed and commented on design changes without delay</li> <li>Assess compliance with City field change order requirements</li> </ul>
Inspection and Acceptance of Construction by City	Section 6.11	<ul style="list-style-type: none"> <li>Interview City to determine to what degree SDG&amp;E provided timely inspections</li> <li>Obtain documentation to support whether SDG&amp;E provided timely construction inspections, required line workers, written inspector schedules, field layouts, and written Final Acceptance of Work</li> <li>Assess compliance with inspection requirements</li> </ul>
Grantee Construction for Joint Projects	Section 6.13	<ul style="list-style-type: none"> <li>Obtain documentation to support SDG&amp;E has obtained applicable permits; coordination of outages; performed cutovers, intercepts, and energized streetlights; removed overhead facilities and vacated poles from service</li> <li>Assess compliance with grantee construction for joint projects requirements</li> </ul>
Project Schedule for Joint Projects	Section 6.14	<ul style="list-style-type: none"> <li>Obtain documentation to support SDG&amp;E worked with City to create initial project schedule, regularly updated the schedule and provided updates to the City</li> <li>Interview City to understand how effectively SDG&amp;E managed project schedules for joint projects</li> <li>Assess compliance with project schedule requirements</li> </ul>
Project Kick-Off	Section 7.2	<ul style="list-style-type: none"> <li>Obtain schedule documentation to determine whether SDG&amp;E kicked off projects within 30 days of the NTP and provided a draft milestone schedule 30 days after the project kickoff meeting</li> <li>Assess compliance with project kickoff requirements</li> </ul>
Grantee Responsibilities	Section 7.3	<ul style="list-style-type: none"> <li>Interview City personnel to determine SDG&amp;E was responsible for project level design and construction and execution activities, including mapping, customer service, designs, third-party coordination, permitting, construction, cabling, outages and energizations, cutovers, removals from services, street work and communications</li> <li>Obtain documentation to determine whether Grantee complied with these responsibilities</li> <li>Assess compliance with Grantee responsibility requirements</li> </ul>
City Oversight of Grantee Executed Projects	Section 7.4	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine whether SDG&amp;E scheduled meetings to review the 30% Design Baseline, notified the City with "Start Construction Notifications", scheduled meetings with the City to review the "Construction Baseline" appropriately notified the City 20 days in advance of the start of electric construction work, and incorporated quality management checkpoints into the schedule</li> <li>Assess compliance with City oversight of Grantee Executed projects requirements</li> </ul>
City Permitting Requirements	Section 7.5	<ul style="list-style-type: none"> <li>Obtain documentation to determine whether SDG&amp;E obtained permits for project work, provided the City with a full listing of DSD permit numbers on a monthly basis, met with the City regarding process changes to City traffic control permits</li> <li>Assess compliance with City permitting requirements</li> </ul>
Grantee Design	Section 7.6	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E performed all necessary designs and that SDG&amp;E endeavored to reduce the size of aboveground equipment</li> <li>Assess compliance with Grantee design requirements</li> </ul>
Grantee Construction	Section 7.7	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E executed all construction and coordinated all aspects of work on its facilities and customer service panel conversions</li> <li>Assess compliance with Grantee construction requirements</li> </ul>
Grantee Pre-Construction Meeting	Section 7.9	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E arranged for the Grantee Pre-Construction Meeting</li> <li>Assess compliance with pre-construction meeting requirements</li> </ul>



Compliance Area	Reference	Procedures
Service Panel Conversions and Inspections	Section 7.10	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E arranged to convert customer's electrical service at customer direction; coordinated with property owners who performed their own service; provided grounding rods and related appurtenances; obtained building inspection permits from the City and complied with these permits, requested service panel conversion inspections provided by DSD, did not remove overhead power without written authorization from the City, and provided documentation regarding safety, reliability, or structural integrity issues and participate in information presentation to Council</li> <li>Assess compliance with service panel conversion and inspection requirements</li> </ul>
Other Project Coordination Requested by City	Section 7.12	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E delivered facilities with potential conflict with applicable accessibility requirements and cooperate to study these conflicts to address compliance concerns; and notify the City of potential construction impacts from street tree or tree roots</li> <li>Assess compliance with other project coordination requirements</li> </ul>
Environmental Compliance for Grantee Projects	Section 7.13	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E ensured construction complied with CEQA requirements, included compliance requirements in contracts and ROW submittals, provided environmental monitors notice prior to construction, supported City obtaining permits, performed construction under its NPDES permit, and adhered to City Whitebook requirements for C&amp;D waste disposal</li> <li>Assess compliance with environmental compliance requirements</li> </ul>
Grantee Project Cost Estimates	Section 8	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E provided updated Estimate Cost to Completion (EAC), preliminary cost estimates, initial cost estimates, 30% design estimates, 90% design estimates, IFC estimates, explanations for increases by 10 percent or more month over month</li> <li>Assess compliance with Grantee project cost estimate requirements</li> </ul>
Design & Engineering Procurement	Section 9.1	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E procured design and engineering work under MSAs, posted sourcing for at least 10 days, created standard evaluation matrices, reviewed from a technical perspective, issued work based on consultant's workload, lead times, geographic coverage and performance metrics on past projects, maintained documentation of standard processes for evaluating bids, and provided all design/engineering contracts to City</li> <li>Assess compliance with design and engineering procurement requirements</li> </ul>
Construction Procurement	Section 9.2	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E held competitive sourcing for MSAs, contractors are pre-qualified for work, posted sourcing for at least 10 days, created standard evaluation matrices, provided the City with draft evaluation matrix, maintained documentation of standard processes for evaluating bids, and provided all design/engineering contracts to City</li> <li>Assess compliance with construction procurement requirements</li> </ul>
Construction Project Bidding	Section 9.3	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E used the MSA rate structure for time and equipment-based work that do not exceed the established Bid Threshold; competitively bid projects exceeding the Bid Threshold via Construction Project Bid; informed the City of factors that could impact Construction Project Bids; provided the City with bid summaries including completed bid evaluation matrices, list of bids, bid evaluation meeting minutes; met with City to discuss disagreements regarding award; and provided all Civil and Electric construction contracts on request</li> <li>Assess compliance with construction project bidding requirements</li> </ul>



Compliance Area	Reference	Procedures
Diverse Business Enterprises	Section 9.4	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E tracked yearly utility expenditures with DBEs and disadvantaged small businesses, made efforts to utilize DBEs, provided commitments in MSAs, and prepared DBE reports for the CPUC; and included Equal Employment Opportunity Requirements in its MSAs</li> <li>Assess compliance with diverse business requirements</li> </ul>
Accounting for Grantee Project Expenses	Section 10	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E provided monthly billing back up to support invoices for surcharge program projects (e.g., direct costs, materials, overhead); subdivided costs into the categories consistent with MOU requirements; accounted for direct Surcharge Program Project costs in the Surcharge Specific Cost Pool; and provided a breakdown on overheads into labor, purchasing/warehouse, A&amp;G and construction support, and other</li> <li>Assess compliance with Grantee accounting requirements</li> </ul>
Invoicing	Section 11	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E provided monthly billing back up support documentation and provided timely (within 10 business days) supporting documentation upon City request</li> <li>Assess compliance with invoicing requirements</li> </ul>
Reporting Requirements	Section 13	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E provided required reporting (e.g., underground cost per mile, monthly milestone reporting, project estimate report, monthly cashflow estimate)</li> <li>Assess compliance with invoicing requirements</li> </ul>
Outreach	Section 15	<ul style="list-style-type: none"> <li>Interview City personnel, and obtain supporting documentation, to determine to what degree SDG&amp;E participated in meeting preparation and provided timely information for public notices and presentation materials, provided appropriate personnel, and consulted with the City on sensitivity of project visual impacts</li> <li>Assess compliance with outreach requirements</li> </ul>

## Exhibit 5

## Crowe Procedures to Assess SDG&amp;E Compliance with Energy Cooperative Agreement associated with Franchises

Compliance Area	Reference	Procedures
Cooperative, Unified Response	Section 1	<ul style="list-style-type: none"> <li>Obtain documentation and interview City and SDG&amp;E personnel to determine to what degree SDG&amp;E cooperated with the City in submitting applications, letters of support, and testimony related to achieving 100% clean energy and net zero emissions</li> <li>Assess compliance with cooperation requirements</li> </ul>
Implementation Plan	Section 2	<ul style="list-style-type: none"> <li>Obtain documentation and interview City and SDG&amp;E personnel to determine to what degree SDG&amp;E worked with the City to develop an implementation plan within 90 days of City Council approval of the ECA</li> <li>Assess compliance with implementation plan requirements</li> </ul>
Living Agreement	Section 3	<ul style="list-style-type: none"> <li>Obtain documentation and interview City personnel to determine to what degree SDG&amp;E participated in the Cooperative Agreement Summit (CAS), where applicable</li> <li>Assess compliance with living agreement requirements</li> </ul>
Costs	Section 4	<ul style="list-style-type: none"> <li>Obtain documentation and interview City and SDG&amp;E personnel to determine to what degree SDG&amp;E cooperated in determining appropriate funding sources and necessary approvals for projects/programs</li> <li>Assess compliance with cost requirements</li> </ul>
Clean Energy Collaboration Opportunities	Section 5	<ul style="list-style-type: none"> <li>Obtain documentation and interview City and SDG&amp;E personnel to determine to what degree SDG&amp;E collaborate with the City to seek mutually agreed upon opportunities to deliver clean energy to residents, including following the Community Choice Aggregate (CCA) Code of Conduct; identifying energy efficiency and demand response programs; supporting City tree planting efforts by identifying locations, assisting with species ideas and providing support with highly trained arborists; identifying vendors open to receiving green waste and investigating use of diverted waste as a fuel source; providing clean transportation expertise (e.g., piloting vehicle electrification projects in the City); providing information to aid with AB 802 benchmarking in support of the City's Climate Action Plan; help the City implement its Municipal Energy Strategy to reduce emissions in municipal buildings; and identify study areas where electrification can be accelerated</li> <li>Assess compliance with Clean Energy Collaboration requirements</li> </ul>
Safe Energy Collaboration Opportunities	Section 6	<ul style="list-style-type: none"> <li>Obtain documentation and interview City and SDG&amp;E personnel to determine to what degree SDG&amp;E cooperated in providing hyper-localized situational awareness of potential weather threats; firefighting air resources to protect the City; investigation of weather stations and other technologies; and monitoring canyons where fires are more likely to ignite/spread; sharing intelligence and data; lending expertise to support the City's Virtual Emergency Operations Center (EOC); attending town council and other public meetings; and reviewing the resiliency of the City's existing infrastructure</li> <li>Assess compliance with Safe Energy Collaboration requirements</li> </ul>
Reliable Energy Cooperation Opportunities	Section 7	<ul style="list-style-type: none"> <li>Obtain documentation and interview City and SDG&amp;E personnel to determine to what degree SDG&amp;E assisted the City to develop a centralized dashboard to manage City-wide energy usage; shared expertise relating to facility and community-level microgrids; identified appropriate distributed energy resources (DER) projects; and assisted with demand response and DER efforts (e.g., by applying to the CPUC for approvals)</li> <li>Assess compliance with Reliable Energy Cooperation requirements</li> </ul>
Equitable Energy Cooperation Opportunities	Section 8	<ul style="list-style-type: none"> <li>Obtain documentation and interview City and SDG&amp;E personnel to determine to what degree SDG&amp;E worked with the City's Environmental Committee to define program outcomes, and timelines</li> </ul>



Compliance Area	Reference	Procedures
		related to equity-focused solar program; executed the program with a non-profit organization; spent \$1M of shareholder contributions each year for the program (which will be available for incentives, refunds, equipment, labor, program management and administration); began tracking affordability housing utility design applications, created a dashboard to track utility coordination/timing, and supported operational enhancements related to more rapid affordable housing development; identified underserved populations to launch careers; cooperated on refreshing the City-driven accelerated undergrounding program (see Utility Undergrounding MOU); expanded outreach to eligible low-income and hard-to-reach customers; and researched available grants
Ensuring Transparency	Section 9	<ul style="list-style-type: none"> <li>Assess compliance with Equitable Energy Cooperation requirements</li> <li>Obtain documentation and interview City and SDG&amp;E personnel to determine to what degree SDG&amp;E offered periodic informational opportunities on SDG&amp;E’s business; annually presented rate structure, planned filings, and rate changes to the Council; annually offered to present planned projects and status to City Council Committee; annually offered to present a status update on Public Purpose Program (PPP) funds (e.g., CARE, FERA, LIHEAP) to City Council Committee; twice per year offered to present ways supporting Climate Action Plan goals to City Council Committee; four times per year met with City’s COO to discuss infrastructure projects, facility coordination, municipal energy bills, account questions, and other topics of mutual concern; annually provide an update to the Compliance Review Committee on Agreement implementation</li> <li>Assess compliance with Transparency requirements</li> </ul>

**Technology and Innovation**

Crowe combines the deep industry and functional specialization of an accounting and consulting firm with the continual innovation of a technology company. We were one of the first large accounting and consulting firms to establish a team focused exclusively on data science and powering software products with artificial intelligence (AI).



This dedicated team of machine learning engineers and data scientists combines our analytics, automation, AI, and machine learning capabilities. Their work drives innovation in software solutions across all of Crowe’s business units. It also helps shift our engagement teams or clients’ perspectives from hindsight to foresight.

While a few non-tech firms have data science teams, it’s rare for AI capabilities to be integrated into software products outside of large technology companies. Because of our functional specializations, the technologies we develop are highly systematized and scalable, and these solutions enable us to focus on higher-risk, higher-return areas for our clients.

Our firm’s success is built on quality, innovative technology and specialization. Nourishing a culture of innovation allows us to constantly advance our tools and processes – and provide exceptional service delivery.

**Data security**



We also fully appreciate that technology brings risk as well as rewards. Consequently, our firm has made significant and ongoing investments in systems and resources focused on the protection of our client and employee data. We employ a variety of security specialists and systems as part of a comprehensive security program that utilizes both industry best practices and technology guidance on an ongoing basis. Our security program includes resources and functions focused on Information Security Management, Security Architecture, Security Administration, Data Protection and

Encryption, and Security Awareness and Training. The security program, and its related documentation, is built on the ISO 27000 series of standards.

Crowe fully understands its responsibilities regarding client confidentiality, as well as the dynamic nature of security threats, so our systems and processes are regularly reinforced, updated and tested to help protect the security and confidentiality of client records and information.

### **Crowe Secure Information Exchange (“Crowe Exchange”)**

In many engagements, a significant amount of time is spent gathering key documents, data, and reports so we can perform analyses, respond to questions and build recommendations.

To make it easy for you to organize your data and respond to requests, we have developed a secure, easy-to-use, web-based solution called Crowe Secure Information Exchange or Crowe Exchange, for short. This solution makes it easy for you and your team to collaborate with us.

#### **Key features:**

- Multi-factor authentication (MFA), one of the most effective controls in the industry to protect against cyber threats.
- An effective workflow and management of information exchange.
- Streamlines the data and document collection process.
- Reports status updates through dashboards with easy-to-use navigation.
- Centralizes communication and information sharing.
- Documents and tracks requests and historical records.

Giving you the option of managing workflow through a centralized individual who can assign and delegate requests to other company personnel. This lets you track project activity by assigned individual, due date, and status with a user-friendly, easy-to-use, dashboard interface so you can quickly view and monitor project progress. Review this five-minute video for an overview of the solution.

## **Project Dependencies**

Crowe is planning to conduct these evaluation services under U.S. Government Accountability Office’s Government Auditing Standards (GAGAS) Performance Auditing Standards.

1. The scope of Services to be rendered under the agreement resulting from this RFP (Agreement) are deemed accepted by the City’s Client Representative (Client) upon the issuance of the Notice to Proceed by the City. All Services and the scope of such Services will be approved by the Client Representative identified in the applicable Agreement. The Agreement establishes the scope and frequency of the Services to be performed. Crowe will direct, supervise, and perform the day-to-day performance of the Services, and the Client Representative will be responsible for reviewing and approving the scope and the results of the Services, in accordance with any parameters included in the Agreement.
2. Crowe’s Services may include the concepts of selective sampling and testing. Crowe’s Services are not designed to detect fraud, errors, irregularities, malfeasance, or defalcation. Crowe’s Services do not guarantee that fraud, errors, irregularities, malfeasance, or defalcation will not occur, and the Services will not be expected to, or relied upon, to detect fraud, errors, irregularities, malfeasance, or defalcation that may exist. Crowe’s Services will not address abuses of management discretion, including SDG&E’s exercise or failure to exercise management discretion or business judgment.
3. Any information, advice, recommendations, or other content of any Deliverable, other than Client’s original information, is for Client’s business use only, consistent with the purpose of the Services. Client may not rely on any draft Deliverable. Crowe will not be required to update any final Deliverable for circumstances of which we become aware or events occurring after delivery. Any advice provided by Crowe is not intended to be, and is not, investment advice.
4. Crowe will provide to the Client Representative periodic updates regarding Services in progress and any Deliverables as Crowe deems necessary or as requested by the Client Representative.
5. Nothing contained in this proposal will be construed as limiting, expanding, or otherwise modifying Client’s responsibility and authority for promptly reviewing the Services and Deliverables generated by Crowe, responding to and implementing the results of any Services performed by Crowe, and for ensuring that all necessary and proper action is taken in response to the Services rendered by Crowe.



6. Crowe will not perform management functions, make any management or policy decisions, or act or appear to act in any capacity as a client employee or manager. Crowe will not be asked to perform activities such as authorizing, executing, or consummating transactions or otherwise exercising authority on Client's behalf.
7. As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Crowe's professional judgment, prevent it from completing the work, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.
8. If Client requests that Crowe access files, documents or other information in a cloud-based or web-accessed hosting service or other third-party system accessed via the internet, including, without limitation iCloud, Dropbox, Google Docs, Google Drive, a data room hosted by a third-party, or a similar service or website (collectively, "Cloud Storage"), Client will confirm with any third-parties assisting with or hosting the Cloud Storage that either such third-party or Client (and not Crowe) is responsible for complying with all applicable laws relating to the Cloud Storage and any information contained in the Cloud Storage, providing Crowe access to the information in the Cloud Storage, and protecting the information in the Cloud Storage from any unauthorized access, including without limitation unauthorized access to the information when in transit to or from the Cloud Storage. Client represents that it has authority to provide Crowe access to information in the Cloud Storage and that providing Crowe with such access complies with all applicable laws, regulations, and duties owed to third parties.
9. We will conduct a performance audit of the audit objectives described herein in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives, and to reduce audit risk to an acceptably low level.
10. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some significant non-compliance may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. Our audit is not designed to detect errors or fraud that is insignificant to the performance audit objectives. Due to the limitations on the nature of the services, our audit cannot be relied upon to detect fraud or malfeasance.
11. In planning our audit, we consider the audit objectives in the development of our audit plan. As auditors we will plan the audit to reduce audit risk to an acceptably low level by assessing significance and audit risk. We will apply these assessments to establish the scope and methodology for addressing the audit objectives. We will design the audit methodology to obtain sufficient, appropriate evidence that provides a reasonable basis for findings and conclusions based on the audit objectives.
12. We will consider and determine whether internal controls are significant to the audit objectives. If it is determined that internal controls are significant to the audit objectives, we will obtain an understanding of such internal control to plan and perform audit procedures to assess internal control to the extent necessary to address the audit objectives. Our understanding of internal control will be considered within the context of the audit objectives to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the SDG&E's internal control and we will not provide such an opinion.
13. We will consider and identify provisions of compliance requirements significant within the context of the audit objectives, if any. We will assess the risk that noncompliance with such provisions could occur. Based on our risk assessment we will design and perform procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of compliance that are significant within the context of the audit objectives.

14. *Government Auditing Standards* require that we provide you with a copy of our most recent peer review report.
15. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.
16. If there are findings, conclusions and recommendations included in our report we may request views of responsible officials from SDG&E. If SDG&E provides written or oral comments from responsible officials, we will incorporate written comments, or a summary of the comments received. If the comments from responsible officials are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, we will evaluate the validity of such comments. If we disagree with the comments, we will explain the reasons for disagreement within our report. If SDG&E refuses to provide comments or are unable to provide comments within a reasonable period of time we may issue our report without such comments, and we will indicate in the report that you did not provide views of responsible officials.
17. Our report and work product are intended for the benefit and use of the Client only. The evaluation will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.
18. The working papers for this engagement are the property of Crowe and constitute confidential information. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued.
19. City Staff Involvement/Responsibilities
  - a. Client will designate a Client Representative knowledgeable in all laws, regulations, and industry practices applicable to the respective Agreement. The Client Representative will determine and approve the risk, scope, and expected timeframe of Services to be performed, and the Client Representative will coordinate, review, and approve Crowe's performance of Services. The Client Representative will be responsible for promptly evaluating the Deliverables or the results of the Services and for reporting any issues or deficiencies to Crowe and the appropriate level of the Client's management. Client will be solely responsible for determining when, whether, and how any recommendations made by Crowe are to be implemented.
  - b. Client represents that all information provided to Crowe in connection with this Agreement is accurate and complete in all respects, contains no omissions, and will be updated on a prompt and continuous basis. Client represents that it has all rights and authority to permit Crowe to access or use any systems or third-party products during performance of Services. As between Crowe and Client, Client will be responsible for the accuracy and completeness of all documentation, projections, or any other information provided to Crowe relating to Services, Deliverables or other work, and Client agrees that Crowe may rely upon any information provided to Crowe, whether provided by Client or by any other party, in connection with its Services, Deliverables, or other work, without independent investigation or verification. The parties also agree to fully cooperate with the reasonable investigation of any security issue or any suspected breach of this task order.
  - c. Client and SDG&E will provide reasonable workspace for Crowe personnel at the project locations for the performance of on-site Services, and Client and SDG&E will promptly make its personnel and representatives available for Crowe as needed for the Services. Client acknowledges that there are risks inherent in internet connectivity and that the actions of third-party service providers can impact and/or impede Crowe's ability to perform the Services. Completion of Crowe's work depends on appropriate and timely cooperation from Client's personnel and, if applicable, Client's third-party service providers and acquisition target personnel; complete, accurate and timely responses to Crowe inquiries; and timely communication by of all matters that may materially affect the Services. If for any reason this does not occur, Crowe may expend additional time in performing the Services, resulting in increased fees, and Client will hold Crowe harmless against all matters that arise in whole or in part from any resulting delay.

- d. Crowe may periodically communicate changes in laws, rules, or regulations to Client. However, Client has not engaged Crowe to do so, and Crowe does not undertake an obligation to advise Client of changes in laws, rules, regulations, and industry or market conditions.
  - e. Any fee estimates in the Crowe's Proposal assume that personnel of Client will cooperate with and assist Crowe in gathering accurate and complete information necessary to perform the Services, including obtaining supporting documents, pulling relevant data, following up on exceptions, and in other similar ways. Fees are also based upon the assumption that no irregularities will be discovered, no non-standard procedures requiring additional expenditure of time or expense will be required, internal controls of the oversight and administration of the Services being provided is reasonably adequate, and there will be no substantial changes in the nature of the Services to be provided.
  - f. Client understands that the ultimate responsibility for proper accounting and internal control environment rests with SDG&E management. SDG&E's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the objectives of the engagement, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the engagement, and unrestricted access to persons within the Client and SDG&E from whom we determine it necessary to obtain evaluation evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Client, and their knowledge of any fraud or suspected fraud affecting the Client. The Client is responsible for oversight of their personnel and for implementing controls to detect fraud and malfeasance.
20. Crowe Services and work product are intended for the benefit and use of the Client. This engagement will not be planned or conducted in contemplation of reliance by any other party or with respect to anyone who receives the deliverables and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party. Our report or deliverables will indicate the purpose of the project, will describe the intended use of the reports and deliverables, and the intended users of the report and deliverables. The working papers for this engagement are the property of Crowe and constitute confidential information.
21. Upon delivery by Crowe of a Deliverable to Client in accordance with this SOW, Client will have ten (10) business days from the date of receipt of the Deliverable to evaluate, review and test such Deliverable ("Test Period") in accordance with the specifications and test criteria set forth in the applicable task order. If Client believes that a Deliverable does not conform to the specifications, or the test criteria set forth in this SOW, then Client will notify Crowe in writing within the Test Period setting forth the reason or reasons why Client believes that such Deliverable does not conform. Client will identify all non-conformities within a single written notice of rejection unless a non-conformity prevents Client from evaluating or testing certain portions of a Deliverable. Client may reject a Deliverable only for its material failure to conform to either the specifications or test criteria set forth in this SOW. If Crowe has not received a written notice of rejection of a Deliverable within the Test Period, then such Deliverable will be deemed to be accepted by Client. If Client delivers to Crowe written notice of rejection of a Deliverable within the Test Period, then Crowe will have thirty (30) days from the date of receipt of a written notice of rejection either (i) to correct the non-conformities that Client identifies in the written notice or (ii) to develop a plan mutually agreeable to Client and Crowe to correct the non-conformities that Client identified in the written notice within a period of time agreed to by the parties in the plan; but in no event will this be for a period of time less than thirty days. Upon correction, Crowe will resubmit the corrected Deliverable to Client for evaluation, review, and testing and the procedure set forth above will be repeated. Such procedure will continue until the earlier of (i) the expiration of the Test Period without delivery of a written notice of rejection by Client, or (ii) the date written notice of acceptance is delivered to Crowe by Client ("Date of Acceptance"). If the client puts the Deliverable into any production or business use, then such Deliverable will be deemed to be accepted by Client.



22. Crowe will provide deliverables to you based on the services performed. Specific deliverable will be a Report. Our report will contain (1) the objectives, scope, and methodology; (2) the results, including findings, conclusions, and recommendations, as appropriate; (3) a summary of the views of responsible officials; and (4) if applicable, the nature of confidential or sensitive information omitted.

### D. Work Plan Timeline

Crowe’s proposed project timeline is based on the assumption that the contract will be executed in January 2023 and the contract term will be two (2) years. We will provide a more detailed timeline as part of project kickoff with the City.

Task	Start Date	End Date	Assumptions
Project Management	January 2023	December 2024	Begins at Contract execution date (assume January 2, 2023) and continues until the contract ends (~24 months)
Engagement Planning	January 2023	December 2024	Begins at Contract execution date (assume January 2, 2023) and continues until the contract ends (~24 months)
Fieldwork	March 2023	April 2024	Fieldwork will begin after we receive data from SDG&E. Duration will depend on the responsiveness of SDG&E to data requests and availability of data.
Reporting	April 2024	August 2024	Reporting will consist of a draft audit report and a final report to include responses to audit findings from SDG&E.

### Deliverable Acceptance Process

Our firm has a long history of success in serving the State of California. We pride ourselves in meeting and exceeding client expectations, including delivering high-quality products and services on time and within budget. Crowe has developed a multi-step approach to ensure the successful completion of deliverables. Our thorough approach to the review and acceptance of each deliverable includes:

- Deliverable Expectation Documents
- Deliverable Development
- Review and Feedback
- Deliverable Revisions
- Deliverable Acceptance Documents.

This section provides more detail on Crowe’s deliverable acceptance process for all contractual project deliverables.

#### Deliverable Expectation Documents (DED)

Before significant work begins on a deliverable, a Deliverable Expectation Document (DED) will be developed by Crowe and approved by the CITY. The City will have five (5) working days, or a mutually agreed upon time frame, to review and approve or reject the DED. The approved DED will be signed as an agreement of what will be provided with each deliverable.

The DED will summarize the key content of the deliverable, including due date(s), completion and acceptance criteria, and the amount of time allotted for City review of the deliverable. If the DED is rejected, Crowe will address the rejection comments and resubmit the DED within five (5) working days, or a mutually agreed upon period. Upon Crowe's resubmission of the DED, the City may only comment or request revisions to changes that were made since the prior submission.

### **Deliverable Development**

We believe ongoing communication throughout the development phase helps align the deliverable with expectations and overall project objectives. Throughout the development process, we will work with the project team and designated stakeholders to solicit feedback for the drafted deliverables, as necessary. Prior to the submission of a deliverable, we apply a multi-level review process to confirm that it will meet your expectations and requirements.

### **Review and Feedback**

The City will be responsible for reviewing and approving each deliverable per the designated resources identified in the DED. The City will have five (5) working days, or a mutually agreed upon timeframe, following Crowe's submission of the deliverable to review the deliverable and provide feedback. If the deliverable is accepted, the Deliverable Acceptance Document (DAD) will be signed by the appropriate City representatives, and a copy will be returned to Crowe.

If City has comments and/or revisions to a deliverable, the City will provide such consolidated comments and edits into the draft deliverable. The City will be responsible for resolving any conflicts of consolidated comments and/or edits prior to providing to Crowe. The comments and/or revision entries should allow Crowe to determine the reasoning for the comment or revision. City comments and revisions will be categorized and defined as follows:

- Priority 1: Important concept, process, or other content missing or inadequately defined.
- Priority 2: Concept, process, or other content not complete or is unclear.
- Priority 3: Minor editing or presentation issue.

The City may reject a deliverable with comments and/or revisions defined as Priority 1 and Priority 2. Those comments and/or revisions defined as Priority 3 will not result in rejection of a deliverable but will be addressed by Crowe within five (5) days from deliverable approval. Time is of the essence throughout this deliverable review and feedback phase. The City and Crowe will work together to ensure that appropriate review comments are provided and incorporated in a timely manner in order to meet the overall project deliverable schedule.

### **Deliverable Revisions**

If there are comments or revisions to the deliverable, Crowe will have five (5) working days, or a mutually agreed upon timeframe, to review, address, and revise the deliverable, as applicable. Crowe will resubmit the deliverable within five (working days) or another mutually agreed upon timeframe. The City may only comment on or request revisions to changes that were made since the prior submission, or on areas that were directly impacted by changes made. All other items that did not receive comments or revisions are considered to be accepted by the City. Upon re-submission, the review process continues as before until all issues have been resolved.

### **Deliverable Acceptance Document (DAD)**

Once all revisions are complete and Priority 1 and 2 comments and revisions addressed, the City will sign off on the Deliverable Acceptance Document (DAD) and return a copy to Crowe. Signature deems final approval of the deliverable.

### **Clarifications and Assumptions**

Crowe services will be provided under the following assumptions:

- Time is of the essence for information to be provided to Crowe for purposes of meeting any deadlines established by or agreed upon with the City.
- City staff will assist with engagement coordination of the Company in order to perform our services.
- Crowe may rely on the information provided to the firm in connection with the project as accurate and complete without independently verifying the information provided.

- Crowe will retain copies of our work in accordance with professional standards to the extent legally permitted to do so. Crowe will own/retain Intellectual Property and workpapers.

As a CPA firm the following statement is required in our proposal: Crowe LLP and certain of its owners are licensed by the California State Board of Accountancy. Note also that Crowe and certain of its owners are licensed by the California State Board of Accountancy, but we are required by law to inform you that Crowe has owners not licensed by the California State Board of Accountancy who may provide services in connection with this engagement. If you have any questions regarding the personnel who will provide the services, please do not hesitate to contact Bert Nuehring.



## B. Technical Representative

In this section we detail the qualifications and experience of the Crowe team as well as our proposed key staff personnel. The remainder of this section is organized as follows:

**A. Crowe Firm Background**

**B. Audit Experience with California Governmental Agencies and Utilities**

**C. Key Staff Personnel**

### A. Crowe Firm Background

Crowe LLP (Crowe) was founded in 1942 in South Bend, Indiana, and has been in business for 80 years. Headquartered in Chicago, Illinois, Crowe is a global accounting, consulting, and technology firm with more than 5,000 personnel and over 39 U.S. locations across the nation.



Because we operate within industry specializations as a national practice, we are able to pull expertise from many parts of the firm to best support your needs. Connecting deep industry and specialized knowledge with innovative technology, our dedicated professionals create value for our clients with integrity and objectivity. Crowe is recognized by many organizations as one of the country's best places to work.

#### National Reputation and Global Reach

Given today's rapid globalization and increasingly competitive markets, business leaders are expressing needs we can help fulfill with our deep specialization and industry-focused audit, tax, advisory, risk, and performance services. At Crowe, we use the comprehensive knowledge we gain through a global network to offer timely, accurate, and cost-effective services no matter where your business is located. We can help sort through the complexities for U.S. companies with operations abroad and for global companies doing business in the United States.

#### Deep Specialization

Our vision is built on deep specialization and a "One Crowe" approach – a focus on our clients, our people, and the hallmarks of our profession: integrity, objectivity, and independence. By aligning our specialists along industry lines, we bring deeper and broader knowledge to our services. This industry specialization gives us a better view to understand your business and the unique challenges you face. You can trust us to help you with your market and business challenges because of our proven reputation and track record for credibility among key industry players, including lenders and professional organizations.

#### Technology-driven Solutions

At Crowe, innovation is part of our culture. Our accomplished software development team works in conjunction with our firm's thought leaders and industry specialists to cultivate original, practical solutions that help address our clients' most pressing challenges. Connecting deep industry knowledge with innovative technology, we help clients streamline and effectively manage complex processes.

#### Industry Listing

Crowe's core services include audit, tax, advisory, and consulting services complemented by industry specialization.

**Industry specialization** is the primary go-to-market strategy for the firm, relying on teams of individuals contained within the business units to drive service delivery and growth within key industries.



**Office Locations**

Crowe serves clients coast to coast from the following office locations:



Crowe has six offices in California:

<p><b>Sherman Oaks</b>                  15233 Ventura Boulevard                  Ninth Floor                  Sherman Oaks, California 91403                  Tel 818.501.5200                  Fax 818.907.9632</p>	<p><b>Los Angeles</b>                  1000 Wilshire Boulevard                  19<sup>th</sup> Floor                  Los Angeles, California 90017                  Tel 213.406.2130</p>	<p><b>Costa Mesa</b>                  650 Town Center Drive                  Suite 740                  Costa Mesa, California 92626                  Tel 714.668.1234                  Fax 714.668.1235</p>
<p><b>Sacramento</b>                  400 Capitol Mall                  Suite 1400                  Sacramento, California 95814                  Tel 916.441.1000                  Fax 916.441.1110</p>	<p><b>San Francisco</b>                  575 Market Street                  Suite 3300                  San Francisco, California 94105                  Tel 415.576.1100                  Fax 415.576.1110</p>	<p><b>West San Jose</b>                  3031 Tisch Way                  110 Plaza                  West San Jose, California 95128                  Tel 669.212.6000</p>

**Core values and WIN<sup>3</sup> management philosophy**

Our core purpose and values

Our values reflect what we hold important as both a firm and as individuals. By living out our values every single day, in every single interaction, we drive the purpose of the firm forward. These values are the fabric that makes up the tapestry of our purpose, and that tapestry is the foundation for all the work we do.

Starting with our core purpose of "Shaping Your Better Tomorrow. Together. Today." our values bring together the guiding principles that all members of the firm, regardless of title or position, are expected to use in their interactions with colleagues, with clients, and in the communities and profession in which we work. It explains to our people the standards and expectations of ethical conduct that Crowe requires when doing business, wherever that might be.



This core purpose and our core values – care, trust, courage, and stewardship – guide us in exercising professional skepticism, objectivity, and being free of conflicts of interest. They guide our people in acting with the utmost integrity and professionalism in each interaction and provide a solid foundation for the firm.

The Power of Crowe means our clients have access to the top expertise across the firm and experience a seamless collaboration between our offices, our business units, our subsidiaries, and our international network in the delivery of that expertise. For our people, it means career growth opportunities and potential for leadership development. Crowe invests in and engages the most effective resources available and goes deeper to find valuable insights and opportunities. We embrace collaboration and diversity, equity, and inclusion as a way of being and show up every day with focus and passion. At Crowe, our people work together across our functional areas to shape a better tomorrow.

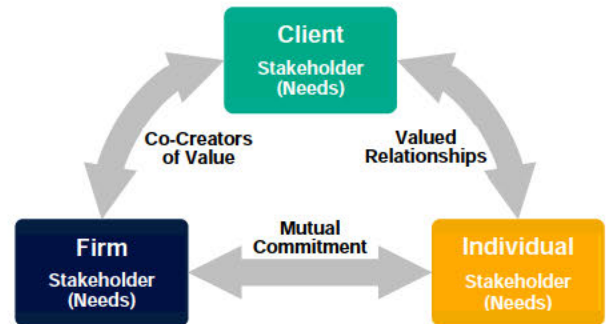
Our purpose is anchored in our values:



**Our management philosophy**

WIN<sup>3</sup> is the philosophy that Crowe management has chosen as its guide. This philosophy defines the manner in which the firm will function on a daily basis. While there is no universally "right" philosophy, the WIN<sup>3</sup> philosophy is seen as the most effective and efficient means to attain our vision of a firm with strong integrity.

The WIN<sup>3</sup> management philosophy defines success as having a thorough understanding and being responsive to the needs of the client, the individual, and the firm. It submits that the best management decisions at all levels will be made when the benefits to all three of these stakeholders are maximized. In the short term, it is expected that one or more stakeholders' needs may take precedence, but over the longer term, success is defined as exceeding the expectations of all three stakeholders in satisfying their needs. Neither the client's, the individual's nor the firm's needs are more important based on their inherent nature. There is no hierarchy among the needs of these three.



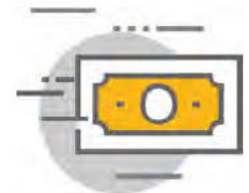
**Deep Specialization**

Our vision is built on deep specialization and a "One Crowe" approach – a focus on our clients, our people, and the hallmarks of our profession: integrity, objectivity, and independence. By aligning our specialists along industry lines, we bring deeper and broader knowledge to our services. This industry specialization gives us a better view to understand your business and the unique challenges you face. You can trust us to help you with your market and business challenges because of our proven reputation and track record for credibility among key industry players, including lenders and professional organizations.

Given today's rapid globalization and increasingly competitive markets, business leaders are expressing needs we can help fulfill with our deep specialization and industry-focused audit, tax, consulting and advisory services.

Our specialized public sector team has direct experience working with State of California agencies, local city and county governments, and the federal agencies responsible for FEMA, the ARP Act ("ARPA"), CARES Act, and US Treasury guidance.

Crowe has extensive experience auditing utilities and has an understanding of electric, water and wastewater utility accounting and finance related work.





Crowe has been providing audit and attestation services for over 78 years. We understand the landscape in California and have a dedicated Public Sector practice focused on government agencies, which require specialized skillset, knowledge, and experience. We recently completed a large GAGAS audit of California wildfire mitigation program spending for work across the State which was incurred by six (6) Investor-Owned Utilities regulated by the City. Simply, this is our niche specialty, and we understand how to navigate the intricacies of auditing multiple utilities simultaneously. The stakes are too high for the City to work with a vendor that is learning as they go.

### **Industry Expertise and Our People**

By aligning our specialists along industry lines, we add depth and breadth of knowledge to our solutions. Industry specialization gives us a better view to success in achieving your business goals and positioning your organization for a strong competitive advantage. You can trust us for advice on your market and business challenges because of our proven reputation and track record for credibility among key industry players, including lenders, and professional organizations. Based on employee satisfaction and these key elements, Fortune Magazine recognized Crowe as one of the top *100 Best Companies to Work For in 2020*, *Best Workplaces for Millennials*, and *Best Workplaces in Consulting and Professional Services*.

### **Commitment to Client Service Excellence**

Our client relationship model provides the framework for delivering our highest levels of service and client satisfaction. The high expectations we set for our service delivery teams are articulated in our client service standards. We hold ourselves accountable to the standards of superior performance by monitoring our service through feedback tools to track client satisfaction, engagement value, and timely issue resolution.

Crowe's professionals challenge every assignment, energize their work, and bring a sense of pride and excitement to client projects. Attributes of our consultants include:

- Good common-sense judgment
- First-hand experience and credibility
- Excellent teamwork and communication skills
- Cost, revenue, and bottom-line consciousness
- Practicality and pragmatism
- The ability to achieve consensus regarding recommendations for action
- A desire to carry projects through to implementation.

Our client experience strategy directs how we engage with our clients on a daily basis. We mutually set clear expectations for service delivery performance, and these guide us in providing clients the insight and expertise they require. We focus on delivering high-value solutions and are committed to creating an exceptional experience for our clients.

Crowe is proud of our business history with the State of California and will work hard to bring to the City the same high standards that we have applied to all our clients. We continually measure client service and quality through our "Client Satisfaction Questionnaire." It is not what we do, but the way we do it, that is what gets results. We are extremely proud of the feedback we have received from our State of California clients for the quality of our work and our commitment to their success.

Our client experience strategy directs how we engage with our clients on a daily basis. We mutually set clear expectations for service delivery performance, and these guide us in providing clients the insight and expertise they require. We focus on delivering high-value solutions and are committed to creating an exceptional experience for our clients.

Ultimately, each client decides whether its experience with Crowe is indeed exceptional. To help us better understand how well we meet our client's expectations, we have developed a feedback process to enable our clients to provide us with immediate and direct feedback. We believe that our firm's engagement history record demonstrates two important characteristics of both our firm and our Sacramento office:

- Our employees have a solid understanding of California's political, fiscal, administrative, regulatory, and operating environment
- We provide high quality service to our clients, as demonstrated by our repeat business from many State clients. Our reputation allows us an opportunity to perform work for new State clients on a regular basis.

## Professional Standings and Recognition



### Fortune 100 Best Companies to Work for 2022\*

Crowe again named one of the Fortune 100 Best Companies to Work For in 2022. Crowe is recognized for fostering a trusting, inclusive, flexible, and sustainable workplace. The award is based on an analysis of survey responses from more than 4.5 million U.S. employees at Great Place to Work-Certified™ organizations.

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### Great Place to Work

In 2021, for the sixth consecutive year, Great Place to Work® named Crowe on of its 100 Best Workplaces for Parents.

### Institute of Internal Auditors

Crowe is a Principal Partner of the Institute of Internal Auditors from the local to international levels and is recognized as an IIA Industry Leader. Crowe personnel regularly contribute thought leadership pieces to IIA publications; serve as speakers and trainers at chapter meetings and regional, national, and international seminars and conferences.



### American Bankers Association

The American Bankers Association has endorsed Crowe governance, risk, and compliance management consulting services through its affiliate, the Corporation for American Banking. The endorsement was made after an evaluation, which was based on a wide range of factors including ability to meet the needs of ABA members, expertise in regulatory compliance issues, banking experience, and customer service. Crowe is the only ABA-endorsed provider of governance, risk, and compliance management consulting services.



## Client Experience

### Why do our clients choose Crowe?

Clients tell us when our technical expertise, industry knowledge, and applied technology come together, exceptional service and value result. At Crowe, we take pride in our relationships with our clients. Our vision is that our people come to work every day motivated to provide our clients with an exceptional experience in every interaction and to help our professionals maintain objectivity in the delivery of our services.

### How do we do this?

We have learned from our clients that there are certain attributes important to their overall experience, and each client perceives value differently. To help us meet our clients' expectations, we send a client feedback survey that allows our clients to evaluate our performance. Proof of this can be found in what our clients say about us, in our client feedback survey results, and through recognition we have received from client experience organizations.

### Client engagement survey results

Crowe uses a best-in-class experience management platform to monitor the experiences we deliver to clients. In the most recent fiscal year\*:

**97%**

said that given the choice, they would do business with Crowe again.

**96%**

said they would recommend Crowe to a colleague.

**96%**

said they like doing business with Crowe.



\* Nearly 1,900 completed client surveys

## Crowe Public Sector Practice

We are uniquely positioned to serve the needs of the City. Crowe has been serving government organizations **for more than 50 years**. Crowe has worked with hundreds of state and local governments and other public sector entities to streamline systems and processes, optimize revenue, and enable agencies to meet reporting and compliance requirements. We work with many different types of agencies, including education, administrative and finance, airport authorities, health and human services, justice and public safety, labor and workforce development, economic development, transportation and transit, and utilities. Additionally, we have extensive experience working with a broad range of jurisdictions, such as federal government, state and local governments, and quasi-governmental entities.

Crowe has diverse, in-depth governmental experience that delivers insight and a clear understanding of the challenges and solutions of public sector agencies. **Exhibit 6** is a brief summary of our public sector services. We bring this wide range of expertise and best practices to every engagement, delivering high impact results for agencies. Our dedicated team is committed to service efficiency and excellence. We have the specialized industry knowledge needed to address the unique issues facing the City. Crowe's professionals are nationally recognized subject matter experts and offer you:

- Deep expertise in administrating the intricate reporting and operating requirements mandated by the sector's regulatory agencies;
- Hands-on experience managing issues that impact public sector agencies;
- Thought leaders who are invited to speak and teach frequently at national industry and state trade association conferences;
- Specialists who research, write, and publish influential articles on industry focused topics; and
- Leaders who are active at a national level with regulatory agencies, standard setters, the Securities and Exchange Commission, and trade groups.

Our approach is to bring the best experience to the client to best serve the needs of the client. In today's environment, specialized skills are needs and our team spends their time serving clients in the public sector so that the clients receive the best expertise the firm has to offer regardless of where they are located.

Crowe solutions help address the financial and operational issues most critical to governments in challenging economic times. Our diverse skills sets – business process, technology, finance, accounting, fraud investigation, risk consulting, economic development, and performance – allows us to deliver effective, cost-efficient services and provides your engagement team with an in-depth understanding of the unique needs of state and local governments.

The California State Government engagement history record of Crowe's Public Sector Services Group management encompasses more than 400 engagements performed over a period of more than 30 years. In the interests of brevity, we have provided in **Exhibit 7** a partial listing of over 250 California State Government engagements completed by Crowe over the past 20 years. Many of these projects included audit elements. We believe this exhibit demonstrates two important characteristics of Crowe's people:

- Our employees have a solid understanding of the State's political, fiscal, administrative, regulatory, and operating environment
- We provide top quality service to our clients; proven by the high number of repeat business engagements we are awarded from many State clients.
- We are especially proud of our business history with the State of California. Should we be awarded this contract, we will work extremely hard to bring the City the same high standards that we have always applied.



## Exhibit 6

## Crowe LLP Public Sector Services Overview

Improve Performance		
<b>Plan for Success:</b> <i>Strategic Advisory Services</i>	Feasibility Studies Requests for Proposals/Offers Procurement Management and Support	Shared Services Technology Planning
<b>Practice Operational Efficiency:</b> <i>Program Effectiveness Services</i>	Process Optimization Cross-sector Collaboration Workload Assessments	Program Management Organizational Change Management Culture Assessments
<b>Utilize Advanced Technology:</b> <i>Business System Implementation Services</i>	Web Content Management Enterprise Systems Enterprise Content Management Online Government Services	Performance Management Document Management Disaster Recovery
<b>Grow a Talented Workforce:</b> <i>Organizational Effectiveness Services</i>	Human Resources Strategy Compensation and Rewards	Staffing Assessment and Recruiting
Optimize Revenue		
<b>Maximize Fiscal Resources:</b> <i>Financial Management Services</i>	Debt Issuance and Management Financial Management	Rate/Revenue Studies Budgeting and Forecasting
<b>Cultivate Economic Growth:</b> <i>Economic Development Services</i>	Tax Increment Financing Fiscal Impact Studies	Smart Growth Initiatives
Manage Risk		
<b>Mitigate Financial Risk:</b> <i>Financial Risk Management</i>	Financial and Single Audit Reporting Forensic Accounting & Fraud Investigation Budgeting and Cost Allocation	Arbitrage Rebate Verification
<b>Ensure Regulatory Compliance:</b> <i>Regulatory Compliance Risk Management</i>	Corporate Governance Enterprise Risk Management Internal Audit	Federal and State Programmatic Compliance
<b>Monitor State and Federal Funding:</b> <i>Accountability Risk Management</i>	Fund Monitoring and Reporting Fraud Prevention/Recovery Program Management	Communication Benchmarking
<b>Protect Data and Technology:</b> <i>Information Technology Risk Management</i>	Vulnerability and Threat Management Business Continuity Management	Data Privacy Web Services Security

**Exhibit 7**

**Crowe State of California Engagement Experience**

**Client and Engagement Summary**

<p><b>Aging, California Department of</b> Long-Term Care Innovation Grant Program Evaluation</p>	<p>Law Enforcement Claim Reimbursement Forms Redesign</p>
<p><b>Alcohol and Drug Programs, California Department of</b> Prevention Data Collection Business Analysis</p>	<p>California Boating Safety Report Development (1998, 1999, 2000, 2001, 2002, 2003)</p>
<p><b>Audits, Bureau of State (California State Auditor)</b> Prison Industry Authority Performance Audit Interim Statewide Automated Welfare System (ISAWS) Review Office of Emergency Services Insurance Claims Processing Review California State Lottery Information Technology Management Review Statewide Automated Child Support System (SACSS) Management Review Accounting and Tracking Software Selection California Department of Transportation Capital Outlay Support Program Assessment</p>	<p>Boating Safety Certification and Statewide Information System Development Performance Standards Development for Publicly owned and Privately-operated Marinas Castaic Lake Boating Instruction and Safety Center Evaluation Web Document Creation Boat Ramp Technical Assistance Project Management Assistance Law Enforcement Subvention Program Modifications Development Safety Education Database Training Water Hyacinth Biological Assessment Loan Regulations Review Broker/Salesperson Internet Directory Development County Subvention Program Regulations Development Licensing and Enforcement Application Modifications Development</p>
<p><b>Boating and Waterways, California Department of</b> Business Process and Technology Assessment Licensing and Enforcement System Development Law Enforcement Financial Aid Allocation Methodology Development California Boating Safety Database Analysis and Report Development Grants and Loans Automated System Development Performance Measures Development and Implementation Strategic Plan Development Education Surveys and Publications Database Development Federal Shore Protection Funding to California Policy Analysis Heavy-Duty Aluminum Hull Policy Evaluation for the Patrol Boat Grant Program Safety Education Database Development <i>Egeria densa</i> Control Program Technical Assistance</p>	<p>Water Hyacinth Control Program Technical Assistance Financial Aid Program Regulations Technical Assistance Mandatory Education Impact on Boating Safety Evaluation Recreational Motorboat Noise Levels Measurement Statute Development Architect and Engineer Contract Regulations Development <i>Egeria densa</i>/Water Hyacinth Technical Assistance Boating Safety and Enforcement Financial Reviews Abandoned Watercraft Abatement Fund Program Regulation Development Water Hyacinth and <i>Egeria densa</i> Monitoring and Reporting Assistance City of Sacramento Marine Patrol Boat Utilization Audit</p>



**Client and Engagement Summary**

<p>Small Craft Harbor and Recreational Marina Loan Programs Evaluation</p> <p>Small Craft Harbors Regulations Development</p> <p>Environmental Consulting Services</p> <p>Boating Safety Education Legislation Development</p> <p>Non-Motorized Boating in California Analysis</p> <p>Marina Practices and Procedures to Allocate Berthing Slips to Boat Owners Analysis</p> <p><i>Egeria densa</i> Control Program Technical Assistance</p> <p>Non-Motorized Boating in California – Public Comment Process Task</p> <p>Water Hyacinth Control Program – Environmental Programmatic Impact Report</p> <p><i>Egeria Densa</i> Control Programmatic Environmental Impact Report, Permitting, and Operations Planning Assistance</p> <p>Cost-Benefit Study of the Water Hyacinth Control Program and <i>Egeria densa</i> Control Program</p> <p>First Addendum to the <i>Egeria densa</i> Control Programmatic Environmental Impact Report</p> <p>Second Addendum to the <i>Egeria densa</i> Control Programmatic Environmental Impact Report</p> <p>Preparation of QAPPs for Water Hyacinth Control Program and <i>Egeria densa</i> Control Program</p> <p>Preparation of Operational Management Plans</p> <p>Preparation of Aquatic Pesticide Application Plans</p> <p>Aquatic Weed Unit Field Monitoring Manual</p> <p><b>Bureau of Automotive Repair, California</b></p> <p>Financial Strength Analysis</p> <p><b>Business Oversight, Department of</b></p> <p>DOCQNET Maintenance and Support</p> <p><b>Child Support Services, California Department of</b></p> <p>Regional Child Support Agency Project Assistance</p> <p><b>Community Services and Development, Department of</b></p> <p>Combined Output Reporting Engine Solution Design, Development and Implementation</p> <p><b>Conservation, California Department of</b></p> <p>Work Plan Development</p> <p>Final Blueprint Report and Executive Summary</p>	<p>Glass Cullet Use to Manufacture New Glass Containers and Fiberglass Analysis</p> <p>Beverage Container Recycling and Litter Reduction Act (BCRLRA) Operations Evaluation</p> <p>Quality Glass Incentive Payment Program Evaluation</p> <p>Expert Reviews for 2008 Container Recycling Market Development and Expansion Grant Program</p> <p>Market Analysis for All Beverage Container Material Types</p> <p>Cost Survey Model Modification</p> <p>New Container Technical Assistance</p> <p>Plastics White Paper Development</p> <p>Paper Reduction Program Development</p> <p>Processing Fee Cost Surveys of 2002 Costs</p> <p>Division of Recycling Paper Efficiency Analysis</p> <p>Beverage Container and Litter Reduction Act (BCRLRA) – Commingled Mixed Resin Technical Services</p> <p>Market Development and Expansion Grant Program Assistance</p> <p>Guaranteed Loan Program Assistance</p> <p>Grant Management System Development and Operation</p> <p>Statistical Sampling Assistance</p> <p>Beverage Container Recycling Market Development and Expansion Proposals Expert Reviews</p> <p>Processing Fee Cost Surveys of 2004 Costs</p> <p>2005 Processing Fee Cost Survey Random Sample Selection</p> <p>Most Accurate Refund Value Review</p> <p>Grant Administrative Procedures Manual Development</p> <p>Market Research Branch Systems Consolidation</p> <p>MRB Program and Processes Documentation</p> <p>MRB Program and Processes Documentation – Continued</p> <p>Alternatives for AB 2020 Review</p> <p>2006/07 Grant Proposals Expert Reviews</p> <p>PET and HDPE Plastic Beverage Containers Market Analysis</p> <p>Market Research Program/Process Documentation</p> <p>Processing Fee and Handling Fee Cost Surveys of 2006 Costs</p>
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## Client and Engagement Summary

### Conservation, Department California of (continued)

Expert Reviews for 2007 Beverage Container Recycling Market Development and Expansion Grant Proposals  
Facilitation and Expert Reviews for PET Bottle-to-Bottle Grant Proposal Workshops  
Processing Fee and Handling Fee Cost Surveys of 2008 Costs

### Controller's Office, California State

Automated TER Requirements Analysis  
Property Tax Postponement System Replacement Business Process Reengineering and Feasibility Study Report (FSR) Development  
Litigation Support Analysis and Expert Witness Services  
MyCalPAYS Examination and Damages Analysis  
California State Payroll System (CSPS) Future State and Procurement Support  
CSPS Organizational Change Management

### Correctional Health Care Services, California

Information Security Assessment

### Corrections and Rehabilitation, California Department of

IT Security and Compliance Analysis  
Financial Advisor Privatization Analysis  
Opinion Review  
Detention Center Evaluation  
Information Technology Staffing Resources Study

### Earthquake Authority, California

Catastrophic Event Insurance Claim Demand Surge Evaluation

### Education, California Department of

California Longitudinal Pupil Achievement Data System Feasibility Study Report (FSR) Development  
Child Development Management Information System Business Needs Assessment  
Special Education Strategic Plan Implementation Feasibility Study Report (FSR) Development  
Teacher Data System Feasibility Study Report (FSR) and Information Technology Procurement Plan (ITPP) Development

### Emergency Management Agency, California

Response Information Management System (RIMS)  
Business Process Reengineering Services

### Emergency Medical Services Authority

Online License and Document Imaging Project Feasibility Study Report (FSR) Development

### Employment Development Department, California

Tax Engineering and Modernization Project Implementation

### Energy Commission, California

Energy Technology Advancement Program Performance Improvement Evaluation  
Commission Enterprise Tracking System (COMETS) Feasibility Study Report (FSR) Development  
American Recovery and Reinvestment Act of 2009 (ARRA) Program Support Services  
Salesforce and Change Management Support

### Energy Protection Agency, California

California Environmental Reporting System Procurement Support

### First Five California

Annual Report Development  
Small Population County Funding Assessment Project

### Fish and Wildlife, California Department of

Infrastructure and Office Automation Feasibility Study Report (FSR) Development  
Wildlife and Habitat Info System Feasibility Study Report (FSR) Development (subcontractor to PSC, Inc.)

Business Process and Organizational Change Management of the Statewide Automated License Data System (ALDS) Project

### Franchise Tax Board, California

Technology Services Section Assessment

### General Services, California Department of

Telecommunications Assistance (four projects)  
California Public Safety Radio Strategic Planning



**Client and Engagement Summary**

Public School Construction Feasibility Study Report (FSR) Development  
 Small Business Participation Program Evaluation  
 Capitol Area Development Authority (CADA) Role Assessment  
 Small Business Participation Reporting Evaluation  
 Small Business Outreach Evaluation  
 DGSNET Baseline and Feasibility Study Report (FSR) Development (subcontractor to PSC, Inc.)  
 Case Management Feasibility Study Report (FSR) Development (subcontractor to Eskel Porter)  
 Excellence in Public Buildings Initiative Project Management (subcontractor to The Results Group)  
 Small Business Regulations Review  
 ERP eProcurement System Requirements Validation and Feasibility Study (FSR) Development

**Governor’s Office of Emergency Services**  
 Homeland Security Grant Program Fund Audit

**Governor’s Office of Innovation**  
 California DMV of the Future Initiative Assistance

**Health Services, California Department of**  
 Breast and Cervical Cancer Control Program (BCCCCP) Assistance  
 Breast and Cervical Cancer Control Program (BCCCCP) Business Process Evaluation and Technology Improvements Development  
 Adolescent Family Life Program Providers Rate Study  
 Partnership for Long Term Care Evaluation  
 Accounting System Requirements Development for NCPP  
 Accounting System Implementation for California Statewide Procurement Network (CSPN)  
 Medi-Cal Managed Care Division Organization Assessment

**High-Speed Rail Authority, California**  
 Finance Office Staff Augmentation Services

**Highway Patrol, California**  
 State Compensation Insurance Fund (SCIF) Invoices Audit

**Insurance, Department of**  
 Investigation Division Case Management Solution Design, Development and Implementation  
 CDI Menu Modernization Project Design, Development, and Implementation  
 Business Analyst Consulting Services

**Integrated Waste Management Board, California**  
 Plastics White Paper Development

**Judicial Council of California**  
 Court Profiles Assessment

**Mental Health, California Department of**  
 Managed Care Medi-Cal Financial Analysis  
 Federal Medicaid Freedom of Choice Waiver Evaluation  
 Medi-Cal Mental Health Risk-Based Rate Methodologies Development and Implementation  
 Federal Research and Development Project Waiver Development  
 Fee-for-Service/Medi-Cal (FFS/MC) Psychiatric Inpatient Data Analysis  
 San Mateo Waiver Calculations  
 Mental Health Realignment Analysis  
 Waiver Cost-Effectiveness Calculations  
 San Mateo Waiver Pharmacy and Lab Cost Review  
 Therapeutic Behavioral Services Rate Study  
 Negotiated Rates Impact Analysis on Early and Periodic Screening, Diagnosis, and Treatment  
 Fee-for-Service/Medi-Cal (FFS/MC) Psychiatric Hospital Rate Setting Analysis  
 San Mateo Field Test Waiver Case Rate Analysis  
 Statewide Maximum Allowance Rebase  
 Medi-Cal Mental Health Equity Analysis Implementation Assistance  
 Mental Health Services Expansion (Prop 63) Implementation Assistance

**Client and Engagement Summary**

<p><b>Motor Vehicles, California Department of</b>                  Driver Safety Program Assessment                  Materials Management Business Process Reengineering                  Drivers Safety Program Organizational and Workflow Assessment and Analysis                  Business Process Reengineering and Change Management Project of DMV's Core Business Processes</p> <p><b>Ocean Protection Council</b>                  Ocean Protection Council Program Evaluation</p> <p><b>Office of Statewide Health Planning and Development</b>                  Business Process Reengineering Analysis for the Logbook Redesign Project</p> <p><b>Office of Systems Integration</b>                  Case Management, Information and Payrolling System (CMIPS) Cost Estimation Consulting Services</p> <p><b>Parks and Recreation, California State</b>                  Visitor Satisfaction Survey Database Development                  Museum Collections Facility Index Database Development                  Facilities Maintenance Management System Evaluation                  Concessions Program Organizational and Operational Assessment                  Division of Boating and Waterways Aquatic Invasive Species Control Program Technical Assistance                  RFP Development and Procurement Support for the DPR RRSS Project                  RRSS Procurement and Support Services</p> <p><b>Personnel Administration, California Department of</b>                  21st Century Project Data Requirements Development</p> <p><b>Pesticide Regulation, California Department of</b>                  Virtual Service Delivery Environment Process Reengineering and Technology Planning</p>	<p>Agency Information Management Strategy Development                  Operations Efficiency and Funding Evaluation (AB 780)                  Statewide Permitting and Use System Preliminary Feasibility Study Report (FSR) Development                  Statewide Pesticide Use Reporting Feasibility Study Report (FSR) Development                  iLicense Migration Project Feasibility Study Report (FSR) Development                  Licensing Business Process Review                  Information Technology Strategic Plan and Operational Recovery Development                  Product Compliance Feasibility Study Report (FSR) Development                  State Financial Integrity and State Manager's Accountability Act of 1983 (FISMA) Report Development                  State Financial Integrity and State Manager's Accountability Act of 1983 (FISMA) Report Development                  Pesticide Registration Program Reengineering Project (RP<sup>2</sup>) Business Process Redesign, Information Technology Feasibility Study (FSR), and Procurement Assistance                  Request for Proposal Development for the Pesticide Product Registration Program</p> <p><b>Public Utilities Commission, California</b>                  Compliance Examinations of service carriers participating in the California TeleConnect Fund (CTF) program                  Procurement Examination of a Large Water Utility Company                  Gas Safety and Reliability Branch Audit                  Examination of 21 Carriers                  Examination of 25 Carriers                  Transportation Enforcement Branch Management Audit                  NRG Electric Vehicle Infrastructure Compliance Audit                  Safety Enforcement Branch Facilitation                  Office of the Executive Facilitation                  Safety En Banc Facilitation</p>
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**Client and Engagement Summary**

<p><b>Resources Recycling and Recovery, California Department of</b></p> <ul style="list-style-type: none"> <li>Processing Fee and Handling Fee Cost Survey of 2010 Costs</li> <li>Processing Fee and Handling Fee Cost Survey of 2012 Costs</li> <li>Processing Fee and Handling Fee Cost Survey of 2014 Costs</li> <li>Processing Fee and Handling Fee Cost Survey of 2016 Costs</li> <li>Processing Fee and Handling Fee Cost Survey of 2018 Costs</li> <li>Integrated Information System (DORIIS) Implementation</li> </ul> <p><b>San Diego, University of (CPIL)</b></p> <ul style="list-style-type: none"> <li>Medical Board Enforcement Monitor</li> </ul> <p><b>Social Services, Department of</b></p> <ul style="list-style-type: none"> <li>Administrative Business Processes Reengineering Study</li> <li>Community Care Licensing Software Solutions Market Survey</li> <li>Child Welfare System / Case Management System Maintenance and Operations</li> </ul> <p><b>State Lands Commission, California</b></p> <ul style="list-style-type: none"> <li>Business Analysis and Procurement Support</li> </ul> <p><b>Technology, Department of</b></p> <ul style="list-style-type: none"> <li>BPR and OCM Framework Development</li> </ul> <p><b>State Treasurer’s Office</b></p> <ul style="list-style-type: none"> <li>Business Process Review Services</li> <li>CA Tax Credit Allocation Committee User Fee Study</li> <li>Funding Allocation Analysis and Realignment</li> </ul> <p><b>State University, California (Sacramento), Foundation</b></p> <ul style="list-style-type: none"> <li>California Boating Facilities Needs Assessment, Phase I (Conducted for Cal Boating)</li> <li>California Boating Facilities Needs Assessment, Phase II (Conducted for Cal Boating)</li> </ul>	<p><b>Student Aid Commission, California (EdFund)</b></p> <ul style="list-style-type: none"> <li>Post-Implementation Evaluation Report (PIER) for Technology Project</li> <li>Organizational Analysis</li> <li>Strategic Plan and Staffing Analysis</li> <li>Bill-Back System Development</li> <li>Strategic Planning – Phase I</li> <li>Warehouse and Distribution Services Cost/Benefit Analysis</li> </ul> <p><b>Technology Services, California Department of (formerly California Health &amp; Human Services Agency Data Center)</b></p> <ul style="list-style-type: none"> <li>Data Center Performance Review</li> <li>Rate Setting Review (sub to MGT of America)</li> <li>Proposed new Customer Billing Rates Review</li> <li>Business Process Modeling (sub to MGT of America)</li> <li>Business Progress Reengineering Framework</li> </ul> <p><b>Toxic Substances Control, California Department of</b></p> <ul style="list-style-type: none"> <li>Regulatory Changes Economic Analysis (five separate projects)</li> <li>Exide Alternatives Analysis</li> <li>Cost Recovery Management System Business Analyst/Procurement Specialist</li> </ul> <p><b>Transportation, California Department of</b></p> <ul style="list-style-type: none"> <li>Information Services and Systems Center (ISSC) Resource Management Review</li> <li>Intelligent Transportation Systems (ITS) Cost of Ownership Evaluation</li> <li>California Transportation Plan Publication</li> <li>Feasibility Study Report (FSR) Development for a Universal Transportation Project Identifier (UTPI)</li> <li>Feasibility Study Report (FSR) Development for the District 8 Transportation Management Center Relocation</li> <li>Transportation Related Facilities Program Data and Research</li> <li>Grant Management Business Process and Procurement Support</li> <li>Transportation System Network Replacement Project Management</li> </ul>
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**Client and Engagement Summary**

**Veterans Affairs, California Department of**  
Systems Analysis Support

**Water Resources, California Department of**  
Business Process and Change Leadership  
    Activities for Multiple Phases of the SAP Implementation  
    Project  
Collection, Analytics, Reporting, and Storage (CARS)  
    Solution Design, Development, and Implementation  
State Water Project Financial Management  
    Enhancements OCM Training and Implementation



## B. Audit Experience with California Governmental Agencies and Utilities

Crowe has unmatched depth of governmental audit knowledge and the functional expertise to deliver superior audits. We help governmental agencies succeed by combining our deep industry experience, innovation, and knowledge with a comprehensive set of technical business competencies. Our specialists are trained to review an organization's systems and controls to provide recommendations to help the organization meet reporting and disclosure requirements.

Crowe audit solutions include:

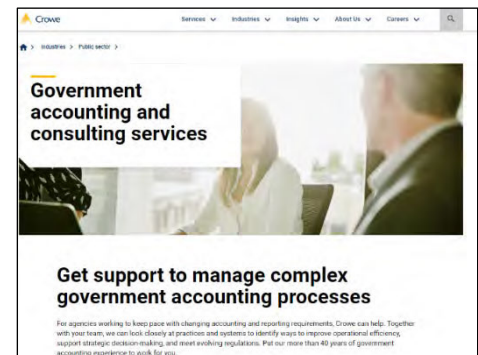
- Financial Statement Audits
- Single Audits
- Performance Audits
- Agreed-upon Procedures
- Regulatory Compliance Audits
- Government Auditing Standards
- Examinations
- Other Special Purpose Reporting.

Across our firm, Crowe has conducted over 4,700 audits of public and/or private financing programs within the last five (5) years. Crowe also has conducted over 400 auditing and consulting projects for State of California entities. Our commitment to excellent service in California is exemplified by our repeat business with many State clients, and the fact that Crowe personnel are frequently asked to represent our work products in front of State boards, commissions, and legislative committees. Our reputation as experts in the State additionally allows us the opportunity to serve new State clients on a regular basis. We will bring the same high standards of client service and technical expertise to our work with the City. We have significant experience over the past twenty-five years with California agencies, including:

- Bureau of State Audits
- California Public Utilities Commission
- California State Controller's Office
- California State Treasurer's Office
- California Department of Corrections and Rehabilitation
- California Department of Insurance
- California Department of Motor Vehicles
- California Department of Pesticide Regulation
- California Department of Parks and Recreation
- California Department of Resources Recycling & Recovery
- California Department of General Services
- California Department of Transportation
- California High Speed Rail Authority
- California State Fire Marshall
- California Tax Credit Allocation Committee
- California Energy Commission.

We also have experience working on auditing and consulting projects for over 25 California local governments. In **Exhibit 8**, we provide a description of selected GAAS, GAGAS, and AICPA audit engagements Crowe completed over the past five years for California State and local agencies. The discussion provided, the resumes of our proposed project team members, and the engagements listed in this exhibit, serve to demonstrate that Crowe easily meets the minimum qualifications of the RFP.

Our firm supports our clients in adopting all applicable Governmental Accounting Standards Board (GASB) statements. In recent years, several standards were monumental in that they established new financial reporting requirements for state and local governments throughout the United States and restructured much of the information that had been presented in the past. One of the partners in our public sector practice (Kathy Lai) recently served on a select 15-member AICPA State and Local Government Expert Panel (Expert Panel) and Crowe's Government Leader (Kevin Smith) is currently still on the Expert Panel. This allows Crowe to be an active influencer of the standards through our close interactions with the GASB Staff and Board Members and AICPA



We understand the public sector, including local government, and its grants compliance and government accounting consulting needs. This is our specialty. Read more here: <https://www.crowe.com/industries/public-sector/accounting-consulting>

## Exhibit 8

## GAAS, GAGAS, AICPA and Other Similar Auditing in Past Five Years

## Recent California Auditing Experience

California Public Utilities Commission	<p><b>Performance Audit of Caltrain Electrification Project</b></p> <p>Crowe conducted a performance audit on behalf of the California Public Utilities Commission (CPUC), in accordance with the Generally Accepted Government Auditing Standards (GAGAS), of Pacific Gas and Electric's (PG&amp;E) cost to complete the Peninsula Corridor Electrification Project. The objective of the audit is to determine whether costs related to aspects of the project were (a) reasonable as determined by documented agreements between PG&amp;E and Caltrain; (b) consistent with PG&amp;E procurement policies, PG&amp;E labor agreements, PG&amp;E contracts and subcontracts, PG&amp;E change order procedures, and industry standards; (c) recorded properly in PG&amp;E's capital accounts; and (d) accurately billed. Crowe reviewed invoices, timesheets, overhead calculations, procurement policies and procedures, procurement documentation and change orders.</p>
California Public Utilities Commission	<p><b>Performance Audit of Telecommunication Carriers CA LifeLine Compliance</b></p> <p>Crowe is currently conducting a performance audit on behalf of the California Public Utilities Commission (CPUC), in accordance with the Generally Accepted Government Auditing Standards (GAGAS), of select telecommunication carrier's CA LifeLine Program to determine claims from the California LifeLine Fund were accurate, properly supported, for eligible customers, and for allowable costs and activities, in accordance with General Order (GO) 153 Sections 5 and 9, Public Utilities Code Section 878, Decision (D.) 14-01-036 and D.10-11-033, and other applicable California LifeLine Program's rules, regulations, and requirements.</p>
California Public Utilities Commission	<p><b>Forensic Accounting, Audit, and Consulting Services</b></p> <p>Crowe conducted an independent forensic performance audit on behalf of the California Public Utilities Commission (CPUC), in accordance with the Generally Accepted Government Auditing Standards (GAGAS), of regulated Investor-Owned Utilities' (IOUs) to determine compliance with reporting rules and regulations. The objective of the audit was to assess whether any wildfire-related expenses and/or investments reported were duplicative of operating and capital expenditures previously approved by the CPUC. The deliverable for this project was an expense tracking tool (Excel based) that the CPUC will use to track wildfire-related expenses including external vendor, internal labor, and capital expenses for the selected IOUs.</p>
California Public Utilities Commission	<p><b>Audit of Telecommunications Carriers</b></p> <p>Crowe performed an audit in accordance with AICPA Attestation Standards for the CPUC Division of Water Audits. Crowe conducted audits of 46 telecommunication carrier's compliance with CPUC requirements for surcharge payments related to each of six (6) CPUC public purpose programs (PPP). PPP surcharges, collected from telecommunications carriers, provide funds for the California Advanced Services Fund, California High-Cost Fund A (CHCF-A), California High-Cost Fund B (CHCF-B), California Lifeline Program, California Teleconnect Fund, and Deaf and Disabled Fund. Each of the six PPP surcharges are assessed as a percentage of end-user "intrastate" (calls beginning and ending in California) revenues.</p>
California Public Utilities Commission	<p><b>Audit of a Large Class A Water Utility</b></p> <p>We conducted an audit under AICPA standards for the CPUC Division of Water and Audits of a large Class A water utility. Developed recommendations in the areas of: improving planning for capital investments in water conveyance and other water facility infrastructure, project cost estimation, project management, budgeting, change order management, and solicitation policies and procedures for outside engineering and construction contractors. The project examined procurement and contracting practices for engineering and capital construction projects, including review of over five hundred (500) contracts/projects spanning a twenty-year period.</p>



## Recent California Auditing Experience

California Public  
Utilities  
Commission

### Audit of NRG (EVgo) Settlement

Crowe worked with the Energy Division on a project to audit NRG Inc.'s compliance with provisions contained in a Settlement Agreement between the State of California and NRG (EVgo) under AICPA rules. The Settlement Agreement required NRG to spend \$100 million on new electric vehicle charging infrastructure over four years. Crowe assessed the reasonableness and allowability of NRG costs and operations associated with over 200 new public electric vehicle charging stations and 10,000 new "make ready" stubs installed in multi-family and commercial establishments.

California Public  
Utilities  
Commission

### Transportation Enforcement Branch Management Audit

As mandated by Senate Bill 541 (Statutes of 2015), Crowe assessed the California Public Utilities Commission Transportation Enforcement Branch (TEB)'s capabilities to regulate transportation carriers.

Based on this assessment, Crowe produced a report with two main sections. Part 1 of the report contained an analysis of current capabilities and deficiencies of TEB, and recommendations to overcome any deficiencies identified, related to its licensing section. Part 2 of the report contained an analysis of current capabilities and deficiencies of TEB, and recommendations to overcome any deficiencies identified, related to its two enforcement sections (North and South). The report provided separate assessments within each part that relate to oversight specific to (1) household good movers and to (2) passenger carriers. The report specifically addressed each of the ten activities enumerated below, although not be limited to these activities in its assessment.

1. Prioritize the timely processing of applications and hold "application workshops" for potential applicants around the state.
2. Provide and maintain a user-friendly web portal that facilitates consumer inquiries and enables carriers' electronic filing of applications, reports, and fee payments.
3. Ensure timely and complete compliance with CPUC document filing and fee payment requirements by permitted carriers.
4. Dedicate staff to answering telephone calls, mailings, and electronic inquiries from carriers.
5. Prioritize the timely processing of consumer complaints.
6. Implement electronic case tracking of complaints and their disposition.
7. Implement a process for appropriate and timely enforcement against illegally operating carriers, including by performing staff-driven investigations and performing enforcement through sting operations and other forms of presence in the field.
8. Maintain relationships with, and implement outreach and education programs to, local law enforcement, district attorneys, and airports, and coordinate with law enforcement agencies pursuant to subdivision (d) of Section 1046, subdivision (d) of Section 5317.5, and subdivision (d) of Section 5417.5.
9. Meet with carrier trade associations at least annually.
10. Implement a consolidated case tracking system that integrates each of the transportation program core functions and data collection, administrative compliance details, complaints, and investigations.



Recent California Auditing Experience

<p><b>California Public Utilities Commission</b></p>	<p><b>Management Audit Services</b></p> <p>Crowe conducted a management audit of the CPUC's Gas Safety and Reliability Branch (GSRB). The goals of the audit were to 1) analyze and evaluate GSRB activities in the context of their effectiveness in adhering to existing safety regulations; 2) provide the CPUC with new ideas, insights, and practical, implementable recommendations; and 3) develop implementation plans designed to evolve the program into one that is more proactive in addressing gas safety issues. The evaluation included research, management interviews, and facilitated sessions with staff to assess GSRB's current activities. Crowe also identified best practices and natural gas safety performance metrics.</p>
<p><b>California Alternative Energy and Advanced Transportation Financing Authority</b></p>	<p><b>Financial and Compliance Audit Services</b></p> <p>Crowe performed audit services of the Property Assessed Clean Energy (PACE) Loss Reserve Program for the California Alternative Energy and Advanced Transportation Financing Authority. These services included on-site audits, and assessments of compliance, processes, and controls.</p>
<p><b>San Diego Unified School District</b></p>	<p><b>Audit of School Construction Bonds</b></p> <p>Crowe conducted a performance audit for locally funded school construction bonds. These bonds are authorized under California's Proposition 39. Proposition 39 bond issuances require performance and financial audits of the proceeds and uses, and recent amendments to California law now require the performance and financial audits to comply with generally accepted government auditing standards (GAGAS).</p>
<p><b>City of San Francisco</b></p>	<p><b>Performance Audit</b></p> <p>Crowe conducted annual performance audits of City College of San Francisco's Free City College Program fund, in accordance with Generally Accepted Government Auditing Standards (GAGAS). The primary objective of the audits is to determine whether program funds were used in accordance with the stated purposes and permissible uses as agreed upon in the Memorandum of Understanding and San Francisco Administrative Code.</p>
<p><b>City of Los Angeles</b></p>	<p><b>Performance Audit</b></p> <p>Project manager conducting a performance audit of Venice Beach Business Improvement District on behalf of the City of Los Angeles. The objective of the audit was to ensure the BID complied with relevant state laws, city policies, contractual obligations and generally accepted accounting principles. Crowe audited BID internal controls and accounting processes including detailed testing of vendor payments, p-card transactions and financial reporting. In addition, Crowe reviewed the BID's business processes related to procurement, contract management, service delivery and its organizational structure. Crowe provided a detailed report with findings and recommendations to the City of Los Angeles.</p>
<p><b>Alameda County Source Reduction and Recycling Board</b></p>	<p><b>Five-Year Financial and Compliance Audit of Measure D</b></p> <p>Crowe is conducting, and has previously conducted, a five-year audit of funds raised through the Alameda County Waste Reduction and Recycling Initiative Charter Amendment ("Measure D"). Measure D established a surcharge on each ton of waste landfilled in the County. We conducted on-site audits of the 16 member agencies that received Measure D funding over five-year period. We reviewed Board finances, examining Measure D revenues received and expenditures. We assessed Measure D compliance for 15 non-profits receiving grant funds from the Board. Crowe also performed the previous five-year financial and compliance audit for fiscal years 2006/07-2010/11, totaling approximately \$40 million in audited funds.</p>



Recent California Auditing Experience

County of  
Sacramento

**Performance Audit Services**

Crowe performed a GAGAS performance audit (audit), the purpose of which was to determine if, Republic Services, Inc. was compliant with specific provisions of its green waste processing contract (Contract) with the City. The City engaged Crowe to perform this audit in response to Republic's request to amend its Contract with the City and increase the Contract Tipping Fee due to operational constraints with its end use facilities.

## Additional Utility Experience

Crowe has worked with numerous organizations to conduct grant accounting and reporting on behalf of recipients, monitoring commercial and governmental entities that are subrecipients to U.S. Department of Energy (DOE) award recipients, conducting assessments of current policies and procedures, and advising recipients on grant-related compliance requirements. A selection of engagements completed, or currently in progress, with clients in the energy and power industry includes the following:

- **American Electric Power (AEP)** – Crowe has been in an internal audit co-sourcing arrangement with AEP since 2005. We have assisted AEP in the documentation and testing of financial controls related to Sarbanes Oxley (SOX) 404, including both process and IT. Crowe has managed several information technology (IT) audit related projects in the areas of segregation of duties, data security, and general IT controls. Additionally, we have assisted AEP’s Chief Audit Executive in risk assessment, continuous controls monitoring, and governance reviews with the Board. We also have assisted in process level audits in the areas of energy trading, payroll, fixed assets, procurement, and training for AEP’s internal auditors. We continue to work with AEP to help them understand the challenges being faced in the market, as well as helping to mold internal audit’s role in the organization.
- **North American Electric Reliability Corporation (NERC)** – Crowe was engaged to complete two separate engagements. NERC asked that Crowe perform agreed-upon procedures (AUP) under Government Auditing Standards. Crowe also was engaged to provide consulting services with a goal of providing NERC with an evaluation to assist in achieving the organization’s objectives with respect to its Compliance Monitoring and Enforcement Program (“CMEP”) processes and procedures. Crowe provided NERC with an independent *Process Evaluation Report* to align with NERC’s need to be transparent, stating process efficiency, resource, or other improvement recommendations identified during the process evaluation.
- **California Energy Commission** – Crowe provided comprehensive program support to the Commission to assist with monitoring the \$314 million of American Recovery and Reinvestment Act of 2009 (ARRA) funding it received from the DOE for energy projects, and which it allocated to subrecipients. With a team of Crowe and Commission staff, we monitored the allocation, expenditure, compliance, and cost effectiveness of all ARRA funds distributed to over 300 government and private subrecipients. We developed detailed monitoring procedures and tools and provided training to over 30 Commission individuals who monitored all subrecipient agreements. We individually monitored 123 of the 300+ subrecipients, representing approximately two-thirds of the \$314 million ARRA allocation. Our work included the first known evaluation in the nation to determine the true cost-effectiveness of ARRA spending at creating direct jobs and reducing energy use.
- **City of Los Angeles, Controller’s Office, Procurement Audit of Los Angeles Department of Water and Power Contracting** – Crowe was engaged by the City of Los Angeles’ Controller’s Office to evaluate the Department of Water and Power’s (LADWP) contracts for the procurement of fuel and purchased power. The primary objectives of this compliance audit included an evaluation of LADWP’s compliance with key provisions of the fuel and purchased power contracts, an assessment of the reasonableness of prices paid, and a review of LADWP’s contract selection process.
- **Regional Independent System Operator (NYISO)** – A regional independent system operator in the greater northeast engaged Crowe to execute grant administration and compliance activities for a \$75 million smart grid investment grant project. As a component of its scope, Crowe developed compliance monitoring procedures, designing a grant accounting system, and overseeing ARRA and Department of Energy (DOE) reporting for the organization. These activities include monitoring sub-recipients, reviewing procurement processes, amending current and drafting new financial policies and procedures, and providing additional advisory services regarding cost structures and allocation, budget composition, and training services for internal and external grant participants.
- **Indianapolis Power & Light (IPL)** – Crowe assisted IPL in its assessment of risk of noncompliance with federal grant compliance requirements, inclusive of financial management items, reporting requirements, and pension-related costs. Crowe has provided an overview of applicable cost principles, conducted an analysis of pension cost allowability, evaluated invoices and supporting documentation submitted to DOE with reimbursement requests, and reviewed the overall grant management program design for this Smart Grid Investment Grant recipient.

- **Indiana Office of Energy Development (IOED)** – The State of Indiana’s Department of Administration engaged Crowe to provide Labor Standards Monitoring services on behalf of all state agencies, including the Office of Energy Development. Labor Standard Monitoring (i.e., monitoring for compliance with Davis Bacon and the Related Acts) includes onsite and desk reviews. Crowe also provided training to subrecipients regarding Davis Bacon requirements. The grants received by the State were provided by the U.S. Department of Energy and were funded through the American Recovery and Reinvestment Act (ARRA).
- **Florida Public Utilities Company** – For multiple years, Crowe has provided a suite of services to the Florida Public Utilities Company. We have provided full outsourced internal audit services, including Sarbanes Oxley (SOX) 404 compliance, operational and financial audits, and information technology (IT) audits. Work with the FPUC is ongoing.

### Utility Financial Advisory Experience

Crowe’s Financial Advisory group, within our Public Sector Services Business Unit, has experience working with virtually every traditional governmental entity. Our services include rate analysis and cost of service studies for various entities, including public utilities as well as calculation or verification of fuel cost adjustments or trackers. Where required or necessary, we provide expert testimony in support of rate making decisions by regulatory bodies. We provide financial advisory services in the structuring and issuance of tax-exempt and taxable debt, including preparation of the official statement, rating agency presentations, and working with the other market participants such as Bond Counsel, Underwriter and Trustee. However, we do not underwrite securities; we provide financial advisory services in conjunction with competitive or negotiated sales. Crowe also provides a full range of arbitrage rebate services to ensure ongoing compliance with IRS requirements for municipal bonds. We have completed rebate calculations for issues ranging from several hundred thousand to several hundred million dollars.

- Our experience includes working with such audit clients as:
- Metropolitan Water Reclamation District of Greater Chicago
- City of Lakeland Florida, Lakeland Electric
- City of Lakeland Florida, Water and Wastewater Funds
- City of Tampa Florida, Water and Wastewater Funds
- Louisville and Jefferson County Metropolitan Sewer District
- Louisville Water Company
- Broward County
- Florida Public Utilities Company.
- Crowe has extensive experience auditing utilities and has an understanding of electric, water and wastewater utility accounting and finance related work. Our team attends training sessions jointly with our client finance staff on specific technical utility related issues such as derivatives, hedging, etc. Jointly, we have hosted industry specialists to sponsor training sessions for our staff on such topics.
- Crowe offers the following services to our utility customers:
- Conduct revenue sufficiency reviews based upon an analysis of pro forma revenues and expenses as determined by a review of historical financial information or engineering estimates.
- Implement cost of service studies to design rates and charges to collect the appropriate level of revenue from each class of customer based on an analysis of costs.
- Perform operation reviews to determine if other user fees or non-recurring charges can be established to supplement revenues or identify areas of efficiency to reduce expenses.
- Analyze impact or capacity fees or other capital charges designed to aid in financing capital improvements and additions.
- Calculate fuel cost adjustments, wholesale trackers or other flow-through types of charges.
- Provide representation before federal, state or local regulatory agencies, courts, boards and councils.
- Projection of financial plans.
- Assistance in the Sale of Municipal Debt.

Our utility specialists provide comprehensive consulting services so that you can structure the financial resources to meet the needs of your community. Examples of utility project for California local governments and across the Country are provided in **Exhibit 9**.



**Exhibit 9****Selected Crowe Local Government Utility Experience**

Client	Project
<b>California</b>	
1. Alameda County Source Reduction and Recycling Board/StopWaste.org	Measure D Five Year Financial and Compliance Audit
2. City of Barstow	Cost of Service Study and Rate Review
3. City of Benicia	Utility Rate Reviews
4. City of Farmington, NM	Cost-of-Service Study and Rate Review
5. City of Fremont	Close Out Audit and Balancing Account Audit
6. Cities of Campbell, Los Gatos, and Monte Sereno	Performance Audit
7. City of Martinez	Refuse Collection Rate Reviews
8. City of Rohnert Park	Water and Sewer Rate Study
9. City of Saratoga	Performance Audit
10. City of San Jose	Water Rate Study
11. City of Vacaville	Rate Reviews
12. City of Vallejo	Refuse and Recycling Rate Reviews, Automation Planning, MRF Operations Assessment, Operational and Financial Review
13. City of Victorville	Solid Waste and Wastewater Rate Study
14. Central Contra Costa Solid Waste Authority	Solid Waste Rate Study
15. Contra Costa County	Rate Setting Manual and Base/Interim Rate Reviews, Cost Analyses
16. Contra Costa County	Cost and Rate Study
17. King County, WA	Performance Audit (Review of Solid Waste Department Financial Reserve and Replacement Fund Policies, System Costs)
18. Lost Hills Water District	Financial Audit
19. Napa County	Rate Setting Assistance and Cost Analysis
20. North of the River Municipal Water District	Financial Audit
21. Orange County	Program Audit and Privatization
22. Regional Waste Management Authority	Feasibility Study and Rate Study
23. Sacramento County	Five-Year Operations Review and Rate Study
24. San Bernardino Desert Mountain Waste Management Coalition	Financial Review of \$50 Million Enterprise Fund
25. San Diego County	Management Audit and Financial Review
26. South Lake Tahoe Basin Waste Management Authority	Rate Setting Manual and Rate Review

**Exhibit 9****Selected Crowe Local Government Utility Experience**

Client	Project
<b>Other States</b>	
1. AEP Ohio	Sewage Works Rate Review and Financial Analysis
2. Aqua/KWS (operated as Kentucky Water Service)	Water Rate Review and Financial Analysis
3. City of Anderson, Indiana	Sewage Works Rate Consulting, Rate and Financing Report; Bond Issuance Assistance
4. City of Batesville, Indiana	Rate and Financing Analysis, Municipal Storm Water, Water Utility, and Sewage Works
5. City of Bloomington, Indiana	Rate Consulting, Department of Waterworks and Sewage Works; Budget and Cash Flow Analysis
6. City of Butler, Indiana	Water Utility and Sewage Works, Analysis of Receipts and Disbursements
7. City of Carmel, Indiana	Analysis of Financial Condition of Municipal Sewage Works
8. City of Columbus, Ohio	Financial Advisory Services, Municipal Sewage Works Bond Issuance
9. City of Fort Wayne, Indiana	Municipal Sewage Works and Water Utility Cost of Service Studies
10. City of Lafayette, Indiana	Sewage Works Rate Review and Financial Analysis
11. City of Marion, Indiana	Municipal Sewage Works Rate and Cash Flow Analysis
12. City of New Albany, Indiana	Sewage Works Rate and Financing Analysis
13. City of South Bend, Indiana	Municipal Water Utility Cost of Service Studies and Sewage Works Rate Review and Financial Analysis
14. City of Vincennes, Indiana	Municipal Storm Water, Water, and Sewer Utility Rate and Financing Analysis, Revolving Loan Fund Program Advisor
15. Clark Energy Cooperative	Financial Analysis
16. East Kentucky Power Cooperative	Financial Analysis
17. Florida Public Utilities	Financial Analysis
18. Neenah Water Utility	Financial Audit
19. NiSource	Financial Analysis
20. State of Indiana, Office of the Utility Consumer Counselor (OUCC)	Financial Analysis



### C. Key Staff Personnel

The ultimate success of our relationship with the City involves the commitment of an accomplished team of experienced professionals. Your proposed engagement team is well-qualified to provide the City with quality, timely, and personalized service. Bert Nuehring will lead the team and will manage the coordination of all services for the City. For day-to-day operations, Erik Nylund will be the single point of contact coordinating delivery of specific audit segments and specialists and overseeing all services for consistency and cohesiveness.



Crowe has built its reputation on close senior level involvement and maintaining a strong client relationship. The ultimate success of our client relationships is largely attributable to one key component – our people. The proposed engagement team is well qualified to provide quality, timely, and personalized services to you. **Exhibit 10** provides a description of key staff members. In **Exhibit 11**, we show how are carefully selected team members align with the qualifications requirements for this audit engagement.

We have also structured our engagement team with extensive partner and senior manager involvement. You will find our average partner/senior manager-to-staff average ratio is higher than most other firms. By having partners and senior managers involved in the daily execution, we reduce the time required to respond to accounting issues and thereby close the expectation gap. We are able to achieve this leverage by making significant investments in technology, uniform platforms and methodology, investments that allow us to work smarter and more efficiently.





Our work will be conducted in a timely, planned and orderly manner, without the uncertainty and confusion associated with a delayed, last-minute performance. Our team takes pride in strong client service ethic and in responding promptly to client inquiries. The team’s policy is to check voice mail throughout the day and return phone calls usually on the day received or within 24 hours at the latest. Likewise, they are typically able to access e-mail even when out of the office and respond promptly. Your Engagement team is available to address your needs and concerns.

Below is your proposed engagement team. We have outlined each team members qualifications, location and roles and responsibilities for the audit. We have also included a brief profile on each team member is included in the table below.

#### Engagement Team Profiles

Team Member - Location		Qualifications	Roles - Responsibilities
	Bert Nuehring, Partner, CPA  Oak Brook IL	<ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA)</li> <li>• Chartered Global Management Accountant (CGMA)</li> <li>• Utility Specialist</li> <li>• GAGAS Performance Audit Specialist</li> </ul>	Public Sector Team Leader, responsible for final quality control review and approval of deliverables
Mr. Nuehring has over 37 years of experience in public accounting as well as providing accounting, auditing, compliance and consulting services to government, not-for-profit and private industries across the country.			
	Erik Nylund, Managing Director  San Francisco CA	<ul style="list-style-type: none"> <li>• Certified Project Management Professional, Certified Estimating Professional, and Certified Earned Value Professional</li> <li>• Civil Engineer</li> <li>• Utility Specialist</li> <li>• General Rate Case review/analysis</li> </ul>	Project Director, Subject Matter Expert (Primary Point of Contact)
Mr. Nylund has conducted numerous compliance audits and assessments for a variety of State and local government entities over the past twenty-eight (28) years. He has recent experience auditing SDG&E wildfire mitigation plans and expenditures.			



Team Member - Location		Qualifications	Roles - Responsibilities
	Aaron, Coen, Senior Manager	<ul style="list-style-type: none"> <li>• Performance audit specialist</li> <li>• Utility/energy specialist</li> <li>• Large number of complex, large scale compliance assessments/evaluations</li> <li>• Recent experience with SDG&amp;E</li> </ul>	Project Manager, audit plan development, data request/analysis, internal controls evaluation, sampling procedures, quality control
Mr. Coen has extensive experience with providing audit and consulting services to public sector agencies. Mr. Coen has conducted performance audits, compliance audits, financial reviews, user fee studies, program evaluations, procurement assessments and performance improvement projects in his time with Crowe.			
	Jason Chan, Manager	<ul style="list-style-type: none"> <li>• Business process reengineering</li> <li>• Governmental budgeting and accounting</li> <li>• Performance metrics development</li> <li>• Benchmarking</li> </ul>	Data analysis, transactional testing, interviewing, and finding development
Mr. Chan specializes in resource management projects. He has extensive experience with budget/cost modeling, forecasting, and fund balances. He has worked with Alameda County the California Public Utilities Commission, CalRecycle, Carpet America Recovery Effort (CARE), and Los Angeles County.			
	Garrett Gallagher, Senior Consultant	<ul style="list-style-type: none"> <li>• Managing/analyzing large data sets</li> <li>• Versed in governmental accounting/auditing standards</li> </ul>	Data analysis, transactional testing, interviewing, workpaper development
Mr. Gallagher has completed a variety of cost of service, rate setting, compliance, and financial reporting projects. He has recently assisted with compliance examination projects for the City of San Francisco, City of Los Angeles, California Department of Community Services & Development and California Public Utilities Commission.			
	Jason Lee, Staff	<ul style="list-style-type: none"> <li>• Financial analysis, project management, and strategy analysis</li> </ul>	Data analysis, transactional testing, and workpaper development
Mr. Lee recently joined Crowe after graduating from the University of California at Santa Cruz. He has performed several consulting projects for public sector entities, including reviewing energy subsidy payments administered California Department of Community Services & Development.			

## Crowe Team Member Qualifications Profile

Team Member	Experience with Compliance Audits (years)	Experience with GAGAS Audits	Experience Auditing Utility Companies	Experience with Energy Stakeholders	Experience Managing Large Projects
<b>Key Staff Member</b>					
Bert Nuehring	37	•	•	•	•
Erik Nylund	28	•	•	•	•
Aaron Coen	12	•	•	•	•
<b>Other Staff</b>					
Jason Chan	8	•	•	•	•
Garrett Gallagher	8	•	•	•	
Jason Lee	1		•	•	

## Commitment to Staff Continuity

We would like to emphasize our commitment to maintaining professional staff continuity in servicing this engagement. Our clients rely on having the same resources available to them because it reflects a commitment to their organization and a deeper understanding of what their organization is trying to achieve. Our staff builds a relationship based upon integrity, trust, and mutual respect, which is a primary reason that we maintain long-term professional relationships. We have a proven record of staff continuity.

If for some reason we need to replace a member of our client service team, we will assign an individual with the appropriate skills and industry expertise. In addition, if a client's management or Audit Committees requests periodic rotation of members of the engagement team, our deep bench of professionals with industry expertise allows us to efficiently facilitate these rotations.

## Remote work

Working remotely is not new to Crowe. Before the COVID pandemic, Crowe instituted a Where To Work policy that has prepared our teams well to handle changing client needs. The goal of this policy for our resources to work where they are most effective to meet client needs.

In the current environment, the individuals that are dedicated to your engagement will do the following to address the challenges related to COVID and travel restrictions:

- Utilize collaboration tools such as Teams, Zoom, WebEx and others to support effective teamwork with management and our team,
- Intentionally communicate with frequent one-on-one meetings to reduce the friction from remote workspaces,
- Assign requests and tasks in smaller pieces for effective virtual collaboration,
- Continuously focus on relationship building and team building,
- Provide clear, transparent and measurable expectations in our teams to hold them accountable to you,
- Enable adaptive security measures to address new and evolving information risks in the remote space.

## Resumes

We provide resumes of the individuals listed above in **Appendix A**. Resumes outline education, years of experience, licenses and certifications, professional affiliations, and other relevant experience.



### C. References

Quality work based on strong functional competency and deep expertise is the core element of creating value for our clients. Quality service involves prompt and efficient service delivery and effective communication with clients.

Crowe has delivered value to our clients for more than 80 years by listening to their needs and developing a comprehensive understanding of their businesses and would appreciate the opportunity to do the same for you.

As required, we have provided references for three (3) of our clients that we believe have profiles similar to that of the City served during the past five (5) years utilizing the Contractor Standards Pledge of Compliance form in **Tab A** of our proposal.

Below are some additional project qualifications, including 2 with references:

New York Metropolitan Transportation Authority	
<b>Address</b>	2 Broadway New York, NY 10004
<b>Contract Date</b>	2019
<b>Contract Amount</b>	\$900,000
<b>Requirements of Contract</b>	<p>Crowe, as prime contractor, recently conducted an independent forensic audit of the Metropolitan Transportation Authority’s (MTA) \$55B 2020-24 capital improvement program. For this project, Crowe evaluated, tested, and audited the capital budgeting process, including processes for project programming/selection, investment strategies, capital budgets, asset inventories and asset condition determination. This is the largest public transit agency. Crowe is in the process of presenting results to the Governor’s office, mayor’s office, City and MTA management.</p> <p>Crowe audited nearly \$2B in capital construction projects, including examining capital planning processes, cost estimating practices, asset condition assessments, and capital support costs (internal labor, soft costs, allowances, and contingencies). We performed a detailed assessment of cost overruns for over \$1B in capital construction projects, specifically examining project scopes, cost estimates, change orders, risk profiles, change control practices, and the basis for cost overruns.</p> <p>For this project, Crowe evaluated, tested, and audited the entire capital budgeting process, including project programming/selection, investment strategies, and asset inventory and condition determination. We compared MTA capital budgeting processes with six (6) other comparable benchmark agencies. We made recommendations for improving capital budgeting through use of annual amendment cycles, more extensive cost estimating practices, and better use of enterprise asset management (EAM) with improved data integration and use of state of good repair (SGR) decision making tools.</p> <p>Projects involved rolling stock procurements, bridge rehabilitations, new rail line, signal control, CCTVs, station infrastructure, and ADA/subway construction. Crowe audited/reviewed large construction contracts which are part of the MTA’s \$11B East Side Access Project, including those of multi-national firms such as AECOM/URS (program management) and WSP, Inc./Parsons Transportation (general engineering). We reported results to the City (Mayor’s office), Budget’s office, MTA Board, New York press, and other stakeholders.</p>



Washington Metropolitan Area Transportation Authority	
<b>Contact Name and Phone Number</b>	Elizabeth Sullivan, Chief Risk and Audit Officer Phone: (202) 962-1671
<b>Contact Email</b>	<a href="mailto:EOSullivan@wmata.com">EOSullivan@wmata.com</a>
<b>Address</b>	600 5th Street, NW Washington, D.C 20001
<b>Contract Date</b>	2016 to present
<b>Contract Amount</b>	\$3M annually
<b>Requirements of Contract</b>	Crowe has performed internal audit and advisory services in a co-sourced, staff augmentation capacity for the Management Audit, Risk and Compliance (MARC) group within WMATA. The core services include independent internal audits and special purpose reviews, enterprise risk management, financial management control reviews, regulatory compliance oversight and strategic projects, central coordination of external audits and reviews, central corrective action plans and issue management, and providing training on risk management, internal control, and compliance requirements.

California Public Utilities Commission	
<b>Contact Name and Phone Number</b>	Sharmin Wellington, CPA Phone: (916) 928-9838
<b>Contact Email</b>	<a href="mailto:Sharmin.Wellington@cpuc.ca.gov">Sharmin.Wellington@cpuc.ca.gov</a>
<b>Address</b>	400 R St., Suite #221 Sacramento, CA 95811
<b>Contract Date</b>	12/2018 to present
<b>Contract Amount</b>	\$240,000
<b>Requirements of Contract</b>	For the CPUC, Crowe provided assistance on a procurement and contracting audit of an investor-owned Class A water utility. Performed a compliance examination of over \$211M in engineering and capital construction projects, including assessing hundreds of contracts/projects spanning a twenty-year period. We performed extensive auditing of project change orders and made recommendations for controls over change order processes. Projects included design, construction management support, and construction. Larger firms we audited projects for included CH2M Hill, Brown and Caldwell, Tetra Tech, Teichert Construction, and Precision Pipeline (now MasTec).

## Appendix A: Resumes

We have provided resumes for the proposed client service team on the following pages.



**Bert Nuehring**  
CPA, CGMA – Partner

Direct 630.706.2071  
[bert.nuehring@crowe.com](mailto:bert.nuehring@crowe.com)  
[www.crowe.com](http://www.crowe.com)

### Profile

Mr. Nuehring is a leader in Crowe's Public Sector Compliance practice. He has lead audit, accounting and consulting engagements for and of state agencies. He has performed financial, performance, state compliance and internal audits.

### Professional and Industry Experience

Mr. Nuehring has over 37 years of experience in public accounting as well as providing accounting, auditing, compliance and consulting services to government, higher education, not-for-profit and private industries.

### Publications and Speaking Engagements

- Professional organizations – presenter, seminars on accounting, auditing and reporting issues in the public sector throughout the United States:
  - Government Finance Officers Association
  - Association of School Business Officials International
  - Association of Government Accountants (AGA)
  - National Grants Management Association (NGMA)
- University of Illinois at Chicago – guest lecturer on governmental and non-profit accounting and accounting information systems

### Education & Certifications

- Bachelor of Arts, Accounting and Business Administration
  - Wartburg College
- Certified Public Accountant (CPA)
- Certified Global Management Accountant (CGMA)
- Certificate of Educational Achievement, Governmental Accounting and Auditing

### Client Focus

#### Services:

- Accounting
- Auditing, Internal, Financial, Performance
- Budgeting
- Cash Flow Forecasting
- Compliance
- Federal Program Compliance
- Internal Controls
- Management Consulting
- Policy and Procedures
- Process Improvement
- Project Management Oversight
- Standards Implementation
- Strategic Planning

#### Industries:

- Public Sector
- Higher Education
- Transportation
- Utilities

#### Professional Affiliations:

- American Institute of Certified Public Accountants
- Association of School Business Officials
- Government Finance Officers Association
- Association of Government Accountants
- National Grants Management Association



## Selected Client Experience

### **California Public Utilities Commission**

Engagement partner to perform the California Public Utilities Commission (CPUC) examination of 46 telecommunication carriers to determine compliance with the California Universal Telecommunications Services public purpose program surcharges and PUC User Fees.

### **California Public Utilities Commission**

Engagement partner for a forensic independent performance audit on behalf of California Public Utilities Commission, in accordance with the Generally Accepted Government Auditing Standards (GAGAS), of regulated Investor-Owned Utilities' (IOUs) to determine compliance with reporting rules and regulations. The objective of the audit is to assess whether any expenses and/or investments reported are duplicative of operating and capital expenditures previously approved.

### **California Public Utilities Commission**

Engagement partner to perform procurement/contracting compliance examination, under AICPA guidelines, of a large Class A water utility. Reviewed procurement and contracting records of five hundred (500) construction and engineering infrastructure projects. Developed recommendations in the areas of improving planning for capital investments, project cost estimation, project management, budgeting, change order management, and solicitation policies and procedures for engineering and construction projects.

### **California Public Utilities Commission**

Engagement partner assessing compliance with provisions contained within a Settlement Agreement and the auditee under AICPA rules. The Settlement Agreement requires the auditee spend \$100 million on new electric vehicle charging infrastructure over four years. Crowe reviewed compliance with procurement and contracting policies and procedures as well as requirements contained within the Settlement Agreement (e.g., sole source, single source, RFP/RFQ/RFI, pre-qualifications, evaluation criteria). We are analyzing detailed permitting, planning, installation, capital and operation/maintenance costs to assess whether the auditee has expended the required \$100 million in funding, and that costs are allowable in accordance with Settlement Agreement definitions for costs that are reasonable and allowable. We also are assessing compliance with Settlement Agreement installation specifications.

### **New York Metropolitan Transportation Authority**

Engagement partner on a recent independent forensic performance audit of the Metropolitan Transportation Authority's (MTA) \$55B 2020-24 capital improvement program. Evaluated the capital budgeting process, including processes for project programming/ selection, investment strategies, capital budgets, asset inventories and asset condition determination. Crowe performed detailed evaluations of the lifecycle costs of \$2B in capital projects, including examining support costs (force account labor, soft costs, allowances, and contingencies) and an assessment of cost overruns for over \$1B in projects. We compared MTA budgeting processes with six (6) other comparable benchmark agencies. We made transformative recommendations for improving capital budgeting through use of annual amendment cycles, more rigorous cost estimating practices, enterprise asset management (EAM) with improved data integration and use of state of good repair (SGR) decision making tools. We presented results to the Governor's office, mayor's office, City, Board, NY media, and MTA management.

**Illinois Governor's Office of Management & Budget | Indirect Cost Rate Proposal Negotiations**

Mr. Nuehring is the engagement partner for the Illinois' Governor's Office of Management and Budget (GOMB) Indirect Cost Proposal Reviews project. GOMB contracted with Crowe to review, negotiate, and administer procedures for indirect cost rate proposals on behalf of participating State agencies, Boards, and Commissions in order to assist the Grant Accountability and Transparency Unit (GATU) in meeting its goals of increasing accountability and transparency in the use of grant funds while reducing the administrative burden on State agencies and grantees. Crowe is utilizing a web-based technology solution, the Crowe Activity Review System (CARS), to track indirect cost rate proposal submissions from initiation of the proposal through completion of the negotiation process. In addition to implementation of CARS, Crowe is assisting with the development of training materials, frequently asked questions (FAQ) documents, help lines and other methods to train grantees on the process of submitting an indirect cost rate proposal to the State of Illinois.

**Regional Transportation Authority of Chicago | Capital Grants Process Improvement**

Mr. Nuehring performed a Process and Efficiency Evaluation of RTA's Capital Management/Concurrence Procedures. The RTA has primary responsibility over the capital programs of the Chicago Transit Authority, Metra and Pace. The project involved reviewing the rules and regulations for capital management and concurrence process oversight. The work involved understanding the current processes in place at the RTA and meeting with the CTA, Metra and Pace, as well as the Illinois Department of Transportation to determine how the oversight and concurrence process could be improved. The project also involved reviewing the RTA's system that was used to track capital projects throughout the region. The report identified the federal, state and local regulations that governed the capital programs, presented process flow diagrams and descriptions of existing processes, a high level overview diagram and summarized compliance gaps in the oversight and concurrence process.



**Erik Nylund**  
PMP, EVP, CEP – Managing Director

Direct 415.230.4963  
[erik.nylund@crowehorwath.com](mailto:erik.nylund@crowehorwath.com)  
[www.crowehorwath.com](http://www.crowehorwath.com)

## Profile

Mr. Nylund is a Managing Director with Crowe LLP's performance business unit, government services delivery unit. Mr. Nylund has performed over 250 management consulting engagements for a variety of state and local government agencies and private sector entities over the past twenty eight (28) years. Mr. Nylund has conducted a variety of business process improvement projects, program strategy/planning projects, accounting consulting projects, and cost and financial reviews for numerous State and local governments throughout California. He has provided consulting assistance to over 15 State of California departments and agencies. He is a certified Project Management Professional, Cost Estimating Professional and Earned Value Professional.

## Professional and Industry Experience

Mr. Nylund brings a unique set of skills to each audit/consulting project, with backgrounds in auditing, finance, procurement, performance improvement, and regulated utilities. Mr. Nylund has conducted a variety of strategy projects, financial reviews, program evaluations, compliance audits, performance improvement projects, and performance audits. Mr. Nylund regularly develops methods to assess large data sets for risk and targeted analyses, quickly understands business processes and controls, and prepares quality written reports for presentation to the public. He has performed several compliance examinations (under AICPA rules) for the California Public Utilities Commission over the past seven years. These projects have included audits for the Division of Water & Audits and Energy Division in the telecommunications, energy, and electric vehicle infrastructure areas. Through previous recent experience evaluating San Diego Gas & Electric's (SDG&E) incremental wildfire mitigation program spending, he has familiarity with SDG&E's energy programs and accounting systems.

## Education & Certifications

- Master of Business Administration, Finance
  - University of California - Davis | Davis, California
- Bachelor of Science, Political Science
  - University of California – Davis | Davis, California
- Project Management Professional (#1672566)
- Certified Estimating Professional (with AACE International)
- Earned Value Professional (with AACE International)
- Current on Yellow Book CPE requirements

## Client Focus

### Services:

- Accounting Consulting
- Business Process Reengineering
- Compliance Assessments and Examinations
- Cost Studies
- Performance Audits
- Procurement
- Project Management, including Earned Value Management
- Rate Setting

### Clients Served:

- California Bureau of State Audits, State Auditor
- California Department of Boating and Waterways
- California Department of Conservation
- California Department of Corrections and Rehabilitation
- California Department of General Services, Procurement Division
- California Department of Transportation
- California Energy Commission
- California High Speed Rail Authority
- California Public Utilities Commission
- California Transportation Commission
- State of California Treasurer's Office
- National Science Foundation (through subcontract to Kforce)
- New York Metropolitan Transportation Authority
- Battery Park City Authority
- Denver International Airport
- Over 25 local government agencies, departments, and authorities
- Matson Navigation
- Pacific Nuclear/ Asea Brown Boveri
- Large Private Medical Center Foundation
- Johnson Consulting
- Morrison and Foerster



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## Selected Project Listing

### Project/Program Auditing and Evaluation Experience (24 years)

- **California Public Utilities Commission** – Project Manager to conduct an independent performance audit of six (6) Investor-Owned Utilities' (IOUs) regulated by the CPUC, and their 2019 and 2020 Wildfire Mitigation Plans (WMPs), to determine compliance with General Rate Case (GRC) rules and regulations related to wildfire mitigation spending. This included PG&E, SDG&E, and SCE.
- **California Public Utilities Commission** – Project manager on a procurement and contracting examination of a regulated investor-owned water utility. Developed recommendations in the areas of improving planning for capital investments in water conveyance and other water facility infrastructure, project cost estimation, project management, budgeting, change order management, and solicitation policies and procedures for outside engineering and construction contractors. The project examined procurement and contracting practices for engineering and capital construction projects, including review of over five hundred (500) contracts/projects spanning a twenty-year period.
- **New York Battery Park City Authority (BPCA)** – Project Manager working on the internal audit team to evaluate capital project procurement and contracting processes. Audited lifecycle costs of \$100M in capital projects, including procurements, contract amendments, internal control processes, and change order documents. Made recommendations for advancing procurement/contracting practices and change order practices. Developed cash flow model to predict timing of bond financing needs.
- **California Public Utilities Commission** – Project Manager working for the CPUC Energy Division, on a 4-year project to assess NRG Inc. compliance with provisions contained in a Settlement Agreement between the State of California and NRG EVgo (now Vision Ridge). The Settlement Agreement requires NRG to spend \$100 million on new electric vehicle charging infrastructure over four years. We are auditing NRG costs and operations associated with over 200 new public electric vehicle charging stations (called Freedom Stations) and 10,000 new “make ready” stubs installed in multi-family and commercial establishments.
- **Caltrain Project** – Project Manager to perform a compliance assessment of PG&E's \$100M+ in spending to electrify the Caltrain line from San Mateo to San Francisco. Performed comprehensive review of the company's internal controls. Tested procurement and change order procedures. Evaluated a large number of transactions to determine whether there was a clear nexus between the program scope and that the charges were consistent with contractor/subcontractor provisions. This work also included field examinations of the work performed.
- **California Public Utilities Commission** – Project Manager reporting to the CPUC Division of Water and Audits on a year-long AICPA compliance examination of public purpose program subsidy payments made by telecommunications carriers to the State.
- **California EPA and U.S. EPA** – Project Manager, on a compliance audit project to assess an entity's ongoing construction of \$2B in new nationwide electric vehicle (EV) charging infrastructure. We reviewed the allowability, allocability, and reasonableness of labor, materials, and overhead costs. This work also included field inspections of installations.

- **Caltrans** – Project Manager to lead a team of ten (10) consultants and Bureau of State Audits staff on an assessment of Caltrans' Capital Outlay Support (COS) program (10,000 engineers). Recommended improvements to COS program budgeting, State Highway Improvement Program (STIP) programming, COS program accountability, COS program transparency, performance measures, risk assessments, and cost overrun approvals. Evaluated over \$1B in Caltrans projects, including seismic retrofits (e.g., the \$450M San Francisco-Oakland Bay Bridge West Approach Replacement project) freeway/bridge widening, HOV lane construction, and pavement rehabilitation. Reviewed the reasonableness of Caltrans construction costs for traffic, ROW, planning, design, construction, engineering, and geotechnical services. Assisted to brief the State Legislature (Transportation Committee, and Assemblywoman Buchanan) and Legislative Analyst Office.
- **New York Metropolitan Transportation Authority** – Project Manager on a recent independent forensic performance audit of the Metropolitan Transportation Authority's (MTA) \$55B 2020-24 capital improvement program. Evaluated the capital budgeting process, including processes for project programming/ selection, investment strategies, capital budgets, asset inventories and asset condition determination. This is the largest public transit agency. Crowe performed detailed evaluations of the lifecycle costs of \$2B in capital projects, including examining support costs (force account labor, soft costs, allowances, and contingencies) and an assessment of cost overruns for over \$1B in projects. We compared MTA budgeting processes with six (6) other comparable benchmark agencies. We made transformative recommendations for improving capital budgeting through use of annual amendment cycles, more rigorous cost estimating practices, enterprise asset management (EAM) with improved data integration and use of state of good repair (SGR) decision making tools. We presented results to the Governor's office, mayor's office, City, Board, NY media, and MTA management.
- **California High Speed Rail Authority** – For over two years, Project Director to lead a team of 15-20 staff supporting the California High Speed Rail Authority (HSR) in the areas of accounting, budgeting, contract administration, grants, and reporting. Involved in many aspects of the HSR's financial office functions, including budgeting, contract administration, funding analysis, workload analysis/reporting, financial statement development and reporting using the State's FISCAL system, and federal grant reporting. Performed several internal audit tasks as well as business process improvement projects. Monthly, we develop up to 30 finance and budget reports for submission to the HSR Finance Committee which are available on the HSR website. Among many tasks and responsibilities, the team assisted the HSR in reviewing up to 250 invoices per month (\$60-\$80M per month) from contractors such as Tudor Perini/Parsons, Arcadis, HNTB Corporation, Caltrans, and WSP, Inc.
- **Alameda-Contra Costa Transit District** – Providing assistance related to overhead claims by a large BART project contractor. Assisting the agency to evaluate the contractor's compliance with FAR-31 as it relates to overhead and markup costs.
- **Caltrans** – Manager to assist Caltrans to determine the cost of ownership of Intelligent Transportation Systems (ITS). ITS includes traveler information systems, transportation management centers, ramp metering devices, traffic signals, and fiber optic communication systems.
- **Caltrans** – Project Director on a project for the Maintenance Division who is tasked with maintaining the Transportation Related Facilities (TRF) portfolio, including almost 400 facilities (maintenance facilities, equipment shops, material laboratories, and transportation management centers). Crowe assisted the Division to develop a sustainable funding and repair plan for the TRF portfolio.
- **California Transportation Commission (CTC)** – Lead Consultant to provide programmatic assistance to the CTC Proposition 116 program manager in evaluating applications for Clean Air and Transportation Improvement Act (CATIA) funds. CATIA, known as the Rail Transportation Act, allocated approximately \$2 billion in State bond moneys to government agencies statewide for rail improvement.

- **National Science Foundation (NSF)** – Project Manager on eight (8) projects for the NSF including:
  - Conducted an (ICA) of a \$120 million science construction project. Performed comprehensive review of operations and maintenance costs to determine reasonableness of two-year cost estimate with cost estimation guidelines contained in the GAO Cost Estimating Guide.
  - Conducted evaluations of the Earned Value Management systems (EVMS) of two large science projects for the National Science Foundation. Conducted assessment of the project's project managers, cost account managers, EVMS scheduling and cost and scheduling systems. Determined compliance with the 32 standards contained in ANSI EIA 748-B. These projects involved extensive review of Primavera P3 schedule development, critical path, change control procedures, schedule of values progress, budget to actual reporting, and contingency management.
  - Recommended improvements to risk reporting, risk analyses, risk registers, contingency use logs, and change control. Assessed WBSs, cost and schedule variances, EVM metrics, critical path, change order management, and internal controls.
- **County of Alameda** – Project Manager on a multi-year financial and compliance auditing project to determine city/county compliance with Measure D, an Alameda County initiative intended to increase recycling levels in the County. Measure D is a tax levied on waste disposed of within the County. We conducted on-site financial and compliance audits of the 16-member agencies within the County that received Measure D funding.
- **City/County of San Francisco** – Conducted a performance audit of the operator of the Moscone Convention Center in San Francisco. Reviewed reasonableness of financial performance, including a detailed cost assessment, over a five-year period.
- **Denver International Airport** – Currently Project Advisor on a strategy/risk assessment project for the \$3.5B Denver Airport capital improvement program. Current work involves evaluating DENs strategic use of the Oracle Unifier project management system, Oracle Textera invoice processing system, and Workday.
- **California State Treasurer's Office** – Project Director to conduct a business process reengineering project for the State Treasurer's Office (STO) programs' operations, organization, processes, and procedures. He documented the current state, future state, and performed gap analyses.
- **California Energy Commission** – Lead Consultant on strategy project for the Commission's Transportation Energy Technologies Advancement Program (TETAP). Performed a thorough review of the program, conducted facilitated workshops with staff and external industry experts, and performed interviews with key program stakeholders. Developed portfolio of improvement initiatives.
- **California Department of Corrections and Rehabilitation** – Project Manager on a multi-year resource and staffing project for the Project Management Office (PMO). Determined CDCR information technology resources and staffing requirements for this large and geographically disparate organization (600 staff). Prepared multiple reports for CDCR management and Department of Finance (now OCIO) staff and developed a resource management tool.
- **California Tax Credit Allocation Committee's (TCAC)** – Project Manager to perform an analysis of the California Tax Credit Allocation Committee's (TCAC), a division of the State Treasurer's Office, user fee structure to determine the adequacy of its current revenue structure to support ongoing business operations.
- **California State Treasurer's Office** – Project Director to determine the appropriate funding allocation for the workload responsibilities assigned to and completed by the Department. Based on the work, the Department of Finance received approval from both the Senate and the Assembly to realign the STO's budget for a \$7 million General Fund increase and a corresponding \$7 million decrease in reimbursements.



## Employment History (Start and End Dates of Current and Prior Work)

- Crowe LLP (2012–current)
- Deloitte Consulting (1995–1996)
- NewPoint Group (1996–2012); combined with Crowe in 2012
- Ernst & Young (1992–1994)

## Applicable Continuing Education

*Note: Meets Current Yellow Book (GAGAS) Continuing Education Requirement for 2020/21*

Recent coursework in past two years includes:

- A Comprehensive Review of AICPA, SEC, PCAOB, and GAO Rules FY22
- Advanced Forensic Accounting
- Analytical Fraud Detection
- AP Worst Practices, Better Options and IC Issues
- Auditing Analytics
- Audit Documentation and Workpaper Review
- Construction Contractors – Real-World Guide to Accounting and Auditing
- Audits of States, Local Governments and Non-Profit Organizations
- Basic Performance Auditing Following Government Auditing Standards Self-Study
- GAAS Internal Control
- GAAS Internal Control
- Guarding Against Waste, Fraud and Abuse
- Internal Control and Fraud in Governments and Nonprofits
- Internal Controls for Auditors and Managers
- Materiality in Planning a Government Audit
- Overview of Changes to Yellow Book
- Practice Inclusion and Hiring and Promoting Top Talent
- Substantive Tests of Details
- Yellow Book and Single Audit Deficiencies



**Aaron Coen**  
PMP – Senior Manager

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## Profile

Mr. Coen is a Senior Manager in the Public Sector Group at Crowe. He has twelve years of experience working with the public sector in a variety of capacities, including conducting performance audits, compliance audits, program evaluation, management audits, project management, financial analysis, procurement, budgeting and policy development and implementation services to state and local public sector clients.

## Professional and Industry Experience

Mr. Coen has extensive experience with providing audit and consulting services to public sector agencies. Mr. Coen has conducted performance audits, compliance audits, financial reviews, user fee studies, program evaluations, procurement assessments and performance improvement projects in his time with Crowe. Having also worked in state government he has experienced the challenges faced by public sector agencies and provides a unique perspective to each project. He is a certified Project Management Professional and has successfully completed ten compliance, performance and management audits while with Crowe.

## Education & Certifications

- Master of Business Administration, Finance
  - University of California, Davis
- B.A. in Political Science
  - University of California, San Diego
- Project Management Professional (PMP),  
Project Management Institute

## Representative Clients

- California Public Utilities Commission
- California Department of Resources Recycling and Recovery
- California High-Speed Rail Authority
- City of Sacramento
- California State Treasurer's Office
- Various California Cities and Counties
- Los Angeles Unified School District
- Alameda County

## Client Focus

### Services:

- Performance Auditing
- Compliance Auditing
- Management Audits
- Program Evaluation
- Economic and Financial Analysis
- Cost Allocation
- Cost Estimating
- Project Management
- Strategic Planning
- Regulatory Rate Setting
- Policy / Procedure Development
- Business process benchmarking

### Industries:

- Public sector

## Client Listing

### California Public Utilities Commission

#### Performance Audit of Caltrain Electrification Project

*Role: Project Manager | Date: September 2020 – December 2021*

Crowe conducted a performance audit on behalf of the California Public Utilities Commission (CPUC), in accordance with the Generally Accepted Government Auditing Standards (GAGAS), of Pacific Gas and Electric's (PG&E) cost to complete the Peninsula Corridor Electrification Project. The objective of the audit is to determine whether costs related to aspects of the project were (a) reasonable as determined by documented agreements between PG&E and Caltrain; (b) consistent with PG&E procurement policies, PG&E labor agreements, PG&E contracts and subcontracts, PG&E change order procedures, and industry standards; (c) recorded properly in PG&E's capital accounts; and (d) accurately billed. Crowe reviewed invoices, timesheets, overhead calculations, procurement policies and procedures, procurement documentation and change orders.

### California Public Utilities Commission

#### Performance Audit of Investor-Owned Utilities

*Role: Project Manager | Date: September 2020 – December 2021*

Consulting manager for a forensic independent performance audit on behalf of California Public Utilities Commission, in accordance with the Generally Accepted Government Auditing Standards (GAGAS), of regulated Investor-Owned Utilities' (IOUs) to determine compliance with reporting rules and regulations. The objective of the audit is to assess whether any expenses and/or investments reported are duplicative of operating and capital expenditures previously approved.

### California Public Utilities Commission

#### Compliance Examination

*Role: Project Manager | Date: March 2017 – November 2020*

Consulting Manager assessing compliance with provisions contained within a Settlement Agreement and the auditee under AICPA rules. The Settlement Agreement required the auditee spend \$100 million on new electric vehicle charging infrastructure over four years. Crowe reviewed compliance with procurement and contracting policies and procedures as well as requirements contained within the Settlement Agreement (e.g., sole source, single source, RFP/RFQ/RFI, pre-qualifications, evaluation criteria). We analyzed detailed permitting, planning, installation, capital and operation/maintenance costs to assess whether the auditee has expended the required \$100 million in funding, and those costs are allowable in accordance with Settlement Agreement definitions for costs that are reasonable and allowable. We also assessed compliance with Settlement Agreement installation specifications.

### California Public Utilities Commission

#### Procurement Compliance Examination

*Role: Lead Auditor | Date: June 2018 – December 2019*

Consulting Manager on engagement to perform procurement/contracting compliance examination, under AICPA guidelines, of a large Class A water utility. Reviewed procurement and contracting records of five hundred (500) construction and engineering infrastructure projects. Developed recommendations in the areas of improving planning for capital investments, project cost estimation, project management, budgeting, change order management, and solicitation policies and procedures for engineering and construction projects.

### City College of San Francisco

#### Performance Audit

*Role: Project Manager | Date: June 2021 – Current*

Project manager conducting annual performance audits of City College of San Francisco's Free City College Program fund, in accordance with Generally Accepted Government Auditing Standards (GAGAS). The primary objective of the audits is to determine whether program funds were used in accordance with the stated purposes and permissible uses as agreed upon in the Memorandum of Understanding and San Francisco Administrative Code. Crowe will conduct a total of three audits spanning three fiscal years.



**City of Los Angeles  
Performance Audit**

*Role: Project Manager | Date: March 2020 – September 2020*

Project manager conducting a performance audit of Venice Beach Business Improvement District on behalf of the City of Los Angeles. The objective of the audit was to ensure the BID complied with relevant state laws, city policies, contractual obligations and generally accepted accounting principles. Crowe audited BID internal controls and accounting processes including detailed testing of vendor payments, p-card transactions and financial reporting. In addition, Crowe reviewed the BID's business processes related to procurement, contract management, service delivery and its organizational structure. Crowe provided a detailed report with findings and recommendations to the City of Los Angeles.

**Los Angeles Unified School District, Office of the Inspector General  
Performance Audit**

*Role: Auditor | Date: February 2017 – October 2017*

Consultant to conduct a performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) on behalf of the Los Angeles Unified School District's Office of the Inspector General, the purpose of which was to determine the effectiveness, efficiency, and adequacy of specific elements and activities of the Division of Risk Management and Insurance Services.

**City of Sacramento  
Performance Audit**

*Role: Auditor | Date: May 2017 – December 2017*

Consultant to conduct a performance audit in accordance with government auditing standards for the City of Sacramento, Division of Waste Management. Mr. Coen was the lead on a team that reviewed the City of Sacramento's contract with Republic Services for compliance with various aspects of the contract. Mr. Coen reviewed financial and operational information and performed onsite time studies of various processes required in the contract.

**Transportation Agency  
Procurement Assessment**

*Role: Project Manager | Date: January 2022 – June 2022*

Unnamed Transportation Agency – Currently Project Manager on a comprehensive review and analysis of the agency's procurement policies and procedures, recommending improvements in the areas of expedited procurements, purchasing threshold levels, protest periods, IT service procurements, and sole source procurements. Crowe also benchmarked the agency's delegated authorities with similar organizations.

**California High Speed Rail Authority  
Accounting, Budget and Contract Administration Consulting**

*Role: Project Manager | Date: September 2017 – June 2019*

Consulting Manager leading a team of staff supporting the California High Speed Rail Authority (HSR) in the areas of accounting, budgeting, contract administration, grants, and reporting. Involved in many aspects of the HSR's financial office functions, including departmental budgeting, contract administration, funding analysis, workload analysis/reporting, financial statement development and reporting using the State's FISCAL system, and federal grant reporting. Mr. Coen provided budget and financial reporting expertise consulting services to senior leadership at the Authority and mentored staff supporting the Authority's budget and financial reporting function. Mr. Coen was also responsible for organization wide business process improvements with a focus on data management, which include data validation and research to reconcile multiple cost management systems and databases.

**California Public Utilities Commission  
Independent Management Audit**

*Role Consultant | Date: June 2017 – December 2017*

Consultant to conduct an independent management audit and deliver a formal report to California State Legislature, which mandated the assessment of the Transportation Enforcement Branch (TEB), located within the California Public Utilities Commission (CPUC's) Consumer Protection and Enforcement Division (CPED). TEB is responsible for the licensing and enforcement of approximately 11,000 transportation providers in the state and suffered from antiquated technology, cumbersome paper-based processes, inefficiencies, and limited resources. There was widespread awareness that the branch was struggling to meet its statutory mandates to protect consumers and ensure public safety on California's roadways. Crowe was contracted to assess TEB's current state and provide recommendations for future state improvements. Mr. Coen performed business analysis regarding licensing and enforcement processes; diagramming as-is business processes and facilitating discussion sessions to obtain feedback; conducting staff and management interviews; conducting data analysis; reviewing documentation and artifacts; conducting a benchmarking analysis; interviewing 28 external stakeholders; interviewed 13 representatives from national transportation entities; synthesizing all research into a formal report; and delivering presentations to TEB staff, Commission advisors, and the Governor's office. In the report, Crowe identified 14 challenges/opportunities and made 29 recommendations for improvement, including many businesses process improvement and reengineering opportunities (especially in licensing and enforcement processes). TEB was able to use the results of Crowe's analysis to obtain funding and leadership support for the identified improvements.

**California Public Utilities Commission  
Compliance Examination of Telecommunication Carriers**

*Role: Auditor | Date: April 2015 – September 2017*

Consultant to perform the California Public Utilities Commission (CPUC) examination of 46 telecommunication carriers to determine compliance with the California Universal Telecommunications Services public purpose program surcharges and PUC User Fees. Mr. Coen performed examinations of eight (8) carriers, which included a review of billing files, audited financial statements, tax returns and other source documentation to determine if the carrier complied with the requirement to assess, collect and remit surcharges and User Fees to the CPUC.

**California Public Utilities Commission  
Audit Manual**

*Role: Project Manager | Date: October 2021 – April 2022*

Project manager to assist California Public Utilities Commission, Utility Audit Branch with development and implementation of a system of Quality Control designed to monitor compliance with GAGAS requirements and draft an Audit Manual which will serve as the internal policy and training document with standardized GAGAS-compliant protocols and procedures and evaluation techniques that UAB staff members will use to perform different engagement types. The Audit Manual documents auditing standards, practices, technical guidance, policies, and procedures for planning, performing, and reporting on different types of engagements.

**Alameda County Source Reduction and Recycling Board  
Financial and Compliance Audit**

*Role: Consultant | Date: May 2017 – March 2018*

Consultant on a Five Year Financial and Compliance Audit of funds raised through the Alameda County Waste Reduction and Recycling Initiative Charter Amendment ("Measure D"). Mr. Coen performed a detailed review of approximately ten member agencies' (municipalities) compliance with requirements related to Measure D funds. The audit was divided into tasks. Each task had multiple subtasks, including scheduling and attending meetings, obtaining and reviewing financial statements and other appropriate supporting documentation, and evaluating compliance with various Measure D requirements. In addition to reviewing the appropriateness of the financial tracking and fund activities, Mr. Coen evaluated current Measure D processes and procedures, and identified opportunities for improvement. Finally, Mr. Coen reviewed and evaluated the Recycling Board's achievement of performance metrics and made recommendations related to advancing diversion planning.

**Carpet America Recovery Effort  
Cost Survey**

*Role: Consultant | Date: March 2019 – December 2019*

Consulting Manager to perform the Carpet America Recovery Effort (CARE) 2019 Cost Analysis. In support of the 2018-2022 California Carpet Stewardship Plan's goal to achieve a 24 percent recycling rate, the six-month cost analysis, started in March 2019, was conducted as an economic study to evaluate the post-consumer carpet (PCC) subsidy and new carpet assessment levels. As part of the analysis, Crowe performed a cost survey to collect and analyze the weighted average costs to recycle PCC across 55 of 67 carpet collectors, processors, and manufacturers located in California and across the U.S. Additionally, Crowe analyzed CARE's economic, cost conversion, financial, and subsidy justification models to provide a deep understanding of the connection between subsidy and assessment development. The results of the cost analysis were presented to CalRecycle and provided feasible recommendations for implementing immediate to long-term program improvements.

**California Department of Resources Recycling and Recovery  
Cost Survey**

*Role: Consultant | Date: 2015, 2017, 2019*

Consultant to perform the California Department of Resources Recycling and Recovery (CalRecycle) 2015, 2017, and 2019 processing fee and handling fee cost surveys. This 17-month project is a large cost accounting and statistical engagement, incorporating technical requirements of state-of-the-art, activity-based costing techniques and statistical survey techniques. We performed on-site visits to sampled and census processing fee recycler sites, handling fee recycler sites, and processor sites. This survey, for the fifth time, included a calculation of the cost per container to recycle for two categories of California's certified recycling centers.

**Contra Costa County, Butte County, and the City of Martinez  
Rate Setting**

*Role: Consultant | Date: April 2015 – December 2017*

Consultant to perform Solid Waste Rate Setting and Technical Assistance for Contra Costa County, Butte County, and the City of Martinez. Consultant on multiple projects to assist local authorities with rate setting for solid waste activities. Reviewed rate proposals from waste management companies for accuracy and reasonableness. Each project involved reviewing audited financial statements, detailed payroll records and other source documents to determine the reasonableness of the proposed rate increase for solid waste services. Developed a detailed report outlining the proposed rate increase and proposed rate increase and provided a recommendation to each local entity.

**National Science Foundation  
Cost Assessment**

*Role: Consultant | Date: April 2015 – December 2016*

Consultant on multiple independent cost assessments (ICA) for multimillion-dollar budget proposals on behalf of the National Science Foundation (NSF). Analyzed cost estimate data, including labor and related costs required to meet NSF strategic objectives. Reported findings to NSF on cost estimates' reasonableness based on staffing levels and other metrics. Presented recommendations to improve budget justifications and planning efforts.

**California Tax Credit Allocation Committee  
User Fee Study**

*Role: Lead Consultant | Date: April 2016 – September 2016*

Consultant to develop a detailed financial model to determine the adequacy of the California Tax Credit Allocation Committee's (TCAC), a division of the California State Treasurer's Office (STO), current user fee structure to continue to support its business operations. The model included TCAC's direct and indirect costs, forecasts of TCAC revenues through fees, TCAC program costs, and associated TCAC fund balances over time. Mr. Coen conducted interviews with TCAC management and reviewed detailed financial, operational and historical program data to forecast the adequacy of the current user fee structure into the future. The project resulted in a detailed report that outlined the forecasts for TCAC's user fee revenue and program costs and recommendations for TCAC's user fee structure.





**Jason K. Chan**  
PMP – Senior Staff

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## Profile

Mr. Chan is a Senior Staff member in the Public Sector Services Group of Crowe, and is located in our Sacramento office. Mr. Chan has over eight (8) years of experience working on a variety of public sector engagements including business process reengineering, governmental budgeting and accounting, performance metrics development and benchmarking, decision-support tool development, as well as managing up to \$70 million dollar budgets and grants for major California agencies.

## Professional and Industry Experience

Mr. Chan has extensive public sector experience in successfully developing and implementing large-scale business process reengineering, which involved core activities such as needs assessment, requirements development, and gap analysis. Mr. Chan has made notable public sector contributions that has helped several agencies overcome significant challenges to meet their strategic goals. Mr. Chan has demonstrated success in providing proactive and adaptive solutions to ensure achievement of mission-critical tasks. The experience Mr. Chan gathered from his high-value accomplishments are maximized with each client.

## Education & Certifications

- Bachelor of Science, Plant Sciences
  - University of California | Santa Cruz, California
- UC Davis Executive Leadership Program
  - University of California Cooperative Extension | Sacramento, California
- PMI®-certified PMP – PMP Number: 2814742

## Client Focus

### Services:

- Needs Assessment
- Requirements Development
- Gap Analysis
- Business Process Reengineering
- Business Analysis
- Program Assessment/Audits
- Performance Metrics
- Grant Management
- Project Management
- Budget Management
- Financial Accounting
- Financial Analysis
- Financial Reporting
- Financial Forecasting
- Cost Allocation
- Auditing
- Data Analysis and Management
- Data Modeling and Visualization
- Strategic Planning
- Management Consulting

### Industries:

- Public Sector
- Financial Services
- Technology, Media and Communications

## Technical Skills and Programmatic Knowledge

- Large-Scale Business Process Reengineering
- Large-Scale Data Management
- Data Analysis, Visualization, and Modeling
- Adaptive Project Management
- Business Analysis and Modeling
- Performance Metrics and Benchmarking
- Budget Planning
- Strategic Planning
- Quality Assurance
- Large-Scale Training
- Change Management
- Financial Analysis, Reporting, and Forecasting
- Regulatory Compliance
- Cost Allocation
- Cost and Trend Analysis
- Auditing
- Quantitative Research
- Business Intelligence
- Task Management
- FI\$CAL and CALSTARS
- CA State Administrative Manual
- CA State Contracting Manual
- CA State Budget Process
- Microsoft Excel, Power BI Analytics

## Representative Clients

- California Public Utilities Commission
- California Department of Resources Recycling and Recovery
- California Department of Transportation
- California Department of Parks and Recreation
- Carpet America Recovery Effort
- Alameda County
- California Department of Food and Agriculture
- California Citrus Pest and Disease Prevention Committee
- United States Department of Agriculture
- Los Angeles County

## Selected Relevant Experience

### Needs Assessment, Requirements Development, and Benchmarking

- Consultant to restructure and improve legacy business workflow for **California Department of Food and Agriculture (CDFA)**. In order to comply with federal audit requirements, the department needed large-scale business improvements of dated processes for managing a \$70 million program supporting 600 staff. This required upgrading the expenditure and project tracking system for over 80 dynamic projects related to pest detection, eradication, suppression and biological control. Mr. Chan managed all phases of the business improvement project including background research, identifying stakeholders, requirements gathering and analysis, identifying potential solutions, defining the scope, staff training and change management, implementation, evaluation and maintenance. This resulted in saving millions in audit costs annually and greatly improved overall management of the state's largest pest detection network. Upon the exit interview of a later audit, federal auditors, executive management, division directors and branch chiefs across CDFA congratulated Mr. Chan for the extraordinary success.
- Consultant to develop the Enterprise-Wide Employee Safety Program (Safety Program) for the **California Public Utilities Commission (CPUC)**'s Employee Health and Safety Unit. CPUC's Safety Program covers all 1,000+ CPUC employees and locations throughout California. To gather needs and requirements, Mr. Chan reviewed Cal OSHA laws and regulations as well as industry-specific safety requirements. Additionally, Mr. Chan benchmarked CPUC's practices against other various public and private entities as part of developing the future state.

- Consultant to develop and implement a project tracking system for **CDFA**. Prior to this system, CDFA lacked a unique coding system for identifying individual projects, which caused the inability to report activities and expenditures at the project-level. Through numerous brainstorming sessions with upper management, subject matter experts, and field staff, a new system was implemented. Utilizing CDFA's Pest and Damage Record (PDR) system along with institutional knowledge of key field activities, Mr. Chan developed the Project-Activity-Code system that allowed CDFA to change from reporting at the grant-level down to the project-activity level. This represented two additional layers of detail that resulted in the Department's ability to track and report activities to a level that satisfied their many stakeholders. The additional detail also enabled the Department the ability to perform valuable cost-benefit analysis by linking project-activity-location expense detail with spatial data from area-wide pesticide applications.
- Consultant to develop performance metrics for **California Department of Parks and Recreation's (CDPR) Aquatic Invasive Plant Control Program (AIPCP)**. Mr. Chan evaluated, developed, and improved treatment alternatives, measurements, monitoring, and overall AIPCP operations. This was accomplished by building a framework to evaluate existing and developing new treatment and measurement protocols, including development of infestation thresholds, and refining environmental monitoring protocols and plans. To support these efforts, Mr. Chan performed a multi-state survey of best management practices of aquatic invasive plant control programs, led brainstorming sessions with CDPR and United States Department of Agriculture (USDA) subject matter experts, determined data requirements including a gap analysis, and provided recommendations on feasible implementation steps. The newly developed performance metrics are expected to add significant value to AIPCP by informing operations and adaptive management.
- Consultant to develop the Transported Related Facilities (TRF) Preservation and Repair Implementation Plan for the **California Department of Transportation (Caltrans)**. The Plan outlined how available data, performance measures, facility demands, and decision-support tools came together to implement an asset management framework that supports the Caltrans' TRF planning and budgeting activities. The plan's framework was built by using strategic concepts from the State Highway System Management Plan and the California Transportation Asset Management Plan. Mr. Chan's focus was on TRF future demands, funding impact analysis, and the communication plan. Future demands involved researching California government sustainability targets, wildfire preparedness, and providing feasible recommendations to reach them. The funding impact analysis involved scenario analyses to illustrate the impact to performance targets through various ways of applying the available \$150 million in capital funding. The communication plan served as a path forward for Caltrans to implement the preservation and repair plan for the next 10 years. Upon submission of the final plan, Caltrans management was relieved that they now have a tool to maximize millions in funding in the coming years.

### **Governmental Budgeting, Accounting, and Cost Surveys**

- Consultant using strategic accounting management to save \$1 million per year in excessive indirect costs for both **CDFA** and **California Citrus Pest and Disease Prevention Committee (CA CPDPC)**. Mr. Chan performed analysis of costs and federal regulations to advise executive management on a new allocation method for the Statewide Cost Allocation Plan (SWCAP) and departmental indirect. The new indirect allocation method became the new standard across all projects involving federal funds saving an average amount equaling 30 percent of all personnel expenditures, which was cumulatively over \$1 million per year across all federal funded projects. This new method freed up existing resources and increased the direct to indirect cost ratio and increasing the value of all projects at the program-level. This improvement also resulted in a more defensible level of CA CPDPC pro rata, which has been a historical issue among appointed committee members. Overall, this improved the ability for CDFA and CA CPDPC to protect the state's \$3.3 billion citrus industry.



- Consultant to develop and implement a process to dynamically allocate expenditures in temporary general fund holding accounts on a monthly basis for **CDFA**. Each month, \$2 to \$4 million in expenditures were allocated/distributed resulting in 50,000 to 75,000 transaction lines of financial data (50 – 75 percent of all CDFA transactions) processed. Mr. Chan collaborated with upper management between CDFA programs and the Financial Services Branch. Workload increased in order to keep up with the necessary monthly allocations. Staffing requirements were analyzed as part of this process. Additionally, Mr. Chan developed business ‘desks’ for administrative and finance staff to ensure monthly accounting results were reliable and consistent.
- Consultant to manage \$30 million in federal, **United States Department of Agriculture (USDA)** (Animal and Plant Health Inspection Service (APHIS), Agricultural Research Service (ARS), Center for Plant Health Science and Technology (CHPST)) grants for **CDFA**. Mr. Chan served as the funding liaison between the federal and state agencies and ensured compliance with the scope of work and budget through activity and expenditure tracking of over 20 grants. Mr. Chan ensured state match relating to emergency projects caused by introductions of federal A-rated pests. Additionally, a system to track supporting documentation and multi-million-dollar reimbursement requests were developed. This resulted in continuity of federal funds each year.
- Consultant to perform the **California Department of Resources Recycling and Recovery (CalRecycle) 2019** processing fee and handling fee cost surveys. The cost survey initiated in February 2019, is a 17-month cost-accounting and statistical engagement, incorporating technical requirements of state-of-the-art, activity-based costing techniques and statistical survey techniques. A primary task is to determine the costs of recycling for approximately 550 certified recycling centers to include 300 processing fee sites and 250 handling fee sites. The costs will be utilized to calculate processing payments and handling fees to support recycling centers. Additionally, Mr. Chan received extensive training to conduct financial and labor reviews, complete files, perform quality controls, perform site tours, and other project-related activities.
- Consultant to perform the **Carpet America Recovery Effort (CARE) 2019** Cost Analysis. In support of the 2018-2022 California Carpet Stewardship Plan’s goal to achieve a 24 percent recycling rate, the six-month cost analysis, started in March 2019, was conducted as an economic study to evaluate the post-consumer carpet (PCC) subsidy and new carpet assessment levels. As part of the analysis, Crowe performed a cost survey to collect and analyze the weighted average costs to recycle PCC across 55 of 67 carpet collectors, processors, and manufacturers located in California and across the U.S. Additionally, Crowe analyzed CARE’s economic, cost conversion, financial, and subsidy justification models to provide a deep understanding of the connection between subsidy and assessment development. The results of the cost analysis were presented to CalRecycle and provided feasible recommendations for implementing immediate to long-term program improvements.

#### Governmental Audits and Compliance

- Consultant to perform the Five Year Financial and Compliance Audit of funds raised through the Alameda County Waste Reduction and Recycling Initiative Charter Amendment (“Measure D”) for the **Alameda County Source Reduction and Recycling Board**. Mr. Chan performed a detailed review of all sixteen (16) member agencies’ (municipalities) compliance with requirements related to Measure D funds. The audit was divided into tasks. Each task had multiple subtasks, including scheduling and conducting interviews, obtaining and reviewing financial statements and other appropriate supporting documentation, and evaluating compliance with various Measure D requirements. In addition to reviewing the appropriateness of the financial tracking and fund activities, Mr. Chan evaluated current Measure D processes and procedures, and identified opportunities for improvement. Finally, Mr. Chan reviewed and evaluated the Recycling Board’s achievement of performance metrics and made recommendations related to advancing diversion planning.

- Consultant to perform a compliance examination of an investor-owned Class A water utility that serves approximately 300,000 California customers for the **California Public Utilities Commission (CPUC)** Division of Water and Audits. The project was an examination, in accordance with AICPA rules, of procurement and contracting practices used for outside engineering and capital construction projects, including examining several hundred contracts/projects spanning a twenty-year period. Mr. Chan was heavily involved with the sample selection process, data compilation, validation and analysis of over 250 rate-funded procurement contracts. Additionally, he was the primary consultant to configure and test the web-based review system used to track and report the team's testing progress. During the testing phase, Mr. Chan cumulatively reviewed over \$20 million in procurement contracts. Throughout this process, several material findings were identified and documented by Mr. Chan. Additionally, Mr. Chan supported the development of the independent accountant's report.
- Consultant to perform NRG Electric Vehicle Infrastructure Settlement compliance examination for the **California Public Utilities Commission (CPUC)**. As part of a settlement agreement related to the 2001 California energy crisis, NRG spent \$100 million on electric vehicle charging stations, research, technology demonstrations, and infrastructure. A primary task is to survey randomly sampled charging stations to determine whether they comply with settlement requirements, e.g., location, site host type, installed equipment. Mr. Chan conducted site surveys, reviewed and compiled site data, and data analysis.

#### Data Management and Optimization

- Consultant to manage the digital conversion of a legacy field data collection and tracking system for **CDFA and Los Angeles County Agricultural Commissioner's Office (LA CAC)**. Prior to conversion, CDFA and its 50 funded counties manually track field data with outdated methods organized in large physical binders. In preparation for a statewide process conversion, the first phase was to digitize the 500,000+ paper records to build an inventory of pest detection sites (pest trap locations). The second phase was led by LA CAC who led the development portion to create a mobile application to capture field data in a digital format. Mr. Chan managed Phase I of the project through planning, development of self-validating data templates, training and managing multiple data centers with over 15 staff, and coordination of transferring high-quality quantitative data to LA CAC's Deputy Agricultural Commissioner and their GIS team. The average error rate prior to Mr. Chan's implementation of validation procedures was nearly 20 percent, which reduced to an average of less than 1 percent.
- Consultant to manage pest survey data for **CDFA**, which were required to go into the federal Integrated Plant Health Information System (IPHIS) database as part of grant compliance. The monitoring data from pen and paper methods were systematically entered into the federally approved database by a team of data entry staff managed by Mr. Chan. Training and quality assurance measures to ensure data integrity were implemented. The uploaded data experienced a 25 percent error rate prior to implementing data quality assurance measures. The error rate was reduced to less than 1.5 percent, which were able to be corrected through GIS analysis. Mr. Chan also managed the internal database for the branch's recorded exotic pest monitoring data.



**Garrett C. Gallagher**  
Senior Staff

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## Profile

Mr. Gallagher is a Senior Staff member in the Public Sector Group at Crowe. He has eight years of experience working in public and private sector finance and accounting environments. Mr. Gallagher has experience in financial modeling, data analysis, complex budgeting, long-range strategic planning, government accounting and business-partnering with executive leadership to provide financial and statistical support for decision-making.

## Professional and Industry Experience

Mr. Gallagher specializes in performing financial analysis with an emphasis on forecast modeling, long-range strategic planning and the development of full budget cycles. Mr. Gallagher has further experience in accounting, capital asset reporting and Annual Report development in the public sector.

## Education & Certifications

- Master of Business Administration, Analytics & Finance
  - University of California, Davis
- Bachelor of Science, Accountancy
  - California State University, Sacramento

## Technical Skills and Programmatic Knowledge

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Financial Analysis</li> <li>• Budget Cycles</li> <li>• Financial and Cost Accounting</li> <li>• Journal Entry and Accrual Review</li> </ul> | <ul style="list-style-type: none"> <li>• Financial Modeling</li> <li>• Rolling Forecasting</li> <li>• Government Accounting</li> <li>• Excel Modeling</li> </ul> |
|--|--|

## Representative Clients

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• California Public Utilities Commission</li> </ul> | <ul style="list-style-type: none"> <li>• StopWaste</li> </ul> |
|--|---|

## Client Focus

### Services:

- Financial Analysis
- Pro Forma Financial Modeling
- Long-Range Strategic Planning
- Budget Cycle Development
- Rolling Forecasting
- Government Accounting
- Cost Allocation
- Cost Estimating

### Industries:

- Public Sector





**Jason Lee**  
Staff Consultant

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## Profile

Mr. Lee is a Staff Consultant in Crowe's Public Sector Strategy and Management Advisory Group in the San Francisco office. He has a diverse experience in consulting a nonprofit technology organization, a realtor, and a food delivery start-up company. Mr. Lee holds a Bachelor of Arts in Business Management Economics from the University of California, Santa Cruz.

## Professional and Industry Experience

Mr. Lee is currently researching leading practices available for converting existing refuse, recycling, and organics collection trucks from diesel to electric. He is also assisting with performance and compliance audits, examinations, and reviews for the California Department of Community Services & Development.

Mr. Lee most recently project involved completing an analysis of South Tahoe Refuse Company, Inc.'s 2023 Interim Year Rate Application for the South Tahoe Basin Waste Management Authority (JPA). This was to assist the JPA with establishing solid waste collection rates in accordance with JPA's 2012 *Solid Waste Rate Setting Policies and Procedures Manual*.

Mr. Lee also brings a set of skills in financial analysis, project management, and strategy analysis combined with a strong economic background.

## Education & Certifications

- Bachelor of Arts, Business Management Economics
  - University of California – Santa Cruz | Santa Cruz, CA – *Magna Cum Laude. Highest honors in the major.*
- Current on Crowe/PCAOB/AICPA CPE requirements

## Client Focus

### Services:

- Financial and Economic Modeling
- Performance & Compliance Audits
- Cost Studies
- Performance Improvement

### Clients Served:

- South Lake Tahoe Refuse Company
- Contra Costa County
- California Department of Community Services & Development

### Selected Project Listing

- **South Lake Tahoe Refuse Company** – completed an analysis of South Tahoe Refuse Company, Inc.'s 2023 Interim Year Rate Application for the South Tahoe Basin Waste Management Authority (JPA). This was to assist the JPA with establishing solid waste collection rates in accordance with JPA's 2012 *Solid Waste Rate Setting Policies and Procedures Manual*.
- **Electric Garbage Truck Research** – Assisting Contra Costa County with research on the current status of electric garbage trucks used by the waste management industry. This involves coming up with a pros and cons, timeline to implement, capital costs, and operating & maintenance (O&M) costs, including incrementally lower expected maintenance costs.