

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 2/25/2026

Staff Report No. 26-104

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Contract Extension for On-Site Drug and Alcohol Testing

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to execute an amendment to Contract 2026-1647 with Alcohol & Drug Testing Services (ADTS) to increase the total contract amount by \$160,000 and extend the contract term through June 30, 2026, for on-site drug and alcohol testing.

Staff Contact:

James Arcellana, Executive Director of Human Resources

STRATEGIC IMPORTANCE:

Goal - Safe and Secure Operations

Initiative - Service Quality

Employers that receive financial assistance from the Federal Transit Administration (FTA), including AC Transit, must comply with federal drug and alcohol testing regulations set forth in 49 CFR Parts 40 and 655. These regulations mandate drug and alcohol testing for safety-sensitive employees, including testing at all times when safety-sensitive functions are being performed. To meet these requirements, the District contracts with an on-site provider to conduct drug and alcohol testing.

BUDGETARY/FISCAL IMPACT:

There is no additional fiscal impact associated with the requested contract amendment, as sufficient funds for on-site drug and alcohol testing services are included in this year's adopted fiscal year budget. Fiscal year-to-date expenditures under this contract total approximately \$163,000. Based on current average monthly expenditures, extending the contract through June 30, 2026 is estimated to require an additional \$160,000, which will be funded within existing budget and will not require budget adjustments or additions.

BACKGROUND/RATIONALE:

In March of 2024, the District entered into a short-term services arrangement with ADTS through an informal solicitation in compliance with Board Policy 465 - Procurement Policy, section C.2.b. Services were re-procured with ADTS in 2025, with each purchase order falling within the General Manager's authority.

As part of a recent organizational realignment, the Alcohol and Substance Abuse Program is now under the Human Resources Department. Under Human Resources' oversight, staff has determined that on-site drug and alcohol testing services represent work that is more appropriately administered through a formal solicitation process pursuant to section C.2.a. of Board Policy 465 (Formal Solicitation). Human Resources is working with Procurement to initiate a formal solicitation with the goal of awarding a multi-year contract. The requested contract extension will allow for continued services during the Request For Proposals (RFP) and contract award process.

ADVANTAGES/DISADVANTAGES:

Authorizing the General Manager to execute the requested contract amendment will allow for mandatory on sight drug and alcohol testing services to continue while allowing sufficient time to complete a formal solicitation process and contract award. No disadvantages have been identified.

ALTERNATIVES ANALYSIS:

Staff considered proceeding without extending the existing contract; however, this alternative is not recommended because it will result in the District not comply with FTA's drug and alcohol testing requirements.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy 465 - Procurement Policy

ATTACHMENTS:

None

Prepared by:

James Arcellana, Executive Director of Human Resources

Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer

Aimee L. Steele, General Counsel/Chief Legal Officer

Fred Walls, Director of Procurement & Materials