

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/22/2026

Staff Report No. 26-180

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

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider approving the award of a contract for onsite and short notice drug and alcohol testing to Alcohol and Drug Testing Services (ADTS) for a three-year base term with two (2) one-year options.

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 during all times of day when safety-sensitive functions are being performed. To meet these requirements, the District contracts with an onsite provider to conduct drug and alcohol testing.

BUDGETARY/FISCAL IMPACT:

The proposed award to ADTS is a contract with a base period of three years with two one-year options for a maximum of five years. The contract has an estimated value of \$352,000 per year based on past years' testing costs and business needs. The funding for this contract is included in the District's budget.

CONTRACT AWARD SUMMARY

Vendor Outreach Summary:	
No. DBE/SBEs:	No goal
No. Registered Vendors:	N/A
Contract Summary:	
# Proposals/Bids Received:	3

Award Type:	Best Value
Independent Cost Estimate Range:	\$385,000/yr
Recommended for Award:	ADTS
Small Business Type:	Not Applicable*
DBE/SBE Utilization %:**	N/A

Levine Act Disclosure

California Government Code § 84308, commonly referred to as the “Levine Act,” precludes an Officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$500 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Officer, or received by the Officer on behalf of any other Officer, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires disclosure of such contributions by a party to be awarded a specified contract. Disclosure is not required for contracts that are competitively bid, contracts under \$50,000; contracts between two or more government agencies; contracts where no party receives financial compensation; and periodic review or renewal of development agreements or competitively bid contracts with non-material modifications.

BACKGROUND/RATIONALE:

The District is required to conduct drug and alcohol testing for safety-sensitive employees in accordance with applicable federal regulations. These services include pre-employment, random, post-accident, reasonable suspicion, return-to-duty, and follow-up testing, and must be performed onsite and on short notice to support transit operations.

On February 11, 2026, the District issued a Request for Proposals (RFP No. 2026-1647) to solicit qualified firms to provide on-site and short-notice drug and alcohol testing and specimen collection services. The solicitation included a three-year base term with two one-year option periods.

Procurement Timeline

1. Solicitation issued: February 11, 2026
2. Solicitation closed: March 3, 2026
3. Evaluations finalized: March 26, 2026

Three (3) proposals were evaluated by a three-member, cross-functional panel with relevant subject matter and procurement experience.

Proposals were evaluated using a best value procurement methodology, with consideration given to the following criteria:

- Experience and qualifications in federally regulated drug and alcohol testing programs
- Ability to provide onsite and short-notice testing services, including after-hours availability
- Staffing approach and operational capacity
- Past performance and references
- Cost competitiveness

Following evaluation, ADTS was determined to provide the best overall value to the District. ADTS demonstrated the strongest combination of technical qualifications, responsiveness to operational requirements, and competitive pricing.

ADTS is capable of supporting testing across all District locations and meeting the District's requirement for rapid response, including short-notice and after-hours testing needs.

The recommended contract structure ensures continuity of services while maintaining flexibility for future procurement.

ADVANTAGES/DISADVANTAGES:

The award of this contract ensures continued compliance with federal drug and alcohol testing requirements for safety-sensitive employees and supports safe and reliable transit operations through timely onsite and short-notice testing services. The recommended vendor provides a responsive service model capable of meeting the District's operational needs, including after-hours availability, and establishes competitive pricing through a formal and transparent procurement process. Additionally, the District was able to secure pricing aligned with 2024 vendor rates, resulting in an estimated savings of approximately 7 percent, or \$126,000, from ADTS's original proposal, and approximately 8.3 percent, or \$160,000, below the independent cost estimate. There are no identified disadvantages to awarding this contract.

ALTERNATIVES ANALYSIS:

Staff considered alternative approaches to providing onsite and short-notice drug and alcohol testing services. One alternative would be for the District to conduct these services internally; however, this is not feasible due to the specialized certifications, training, staffing, and regulatory requirements necessary to perform federally compliant testing, as well as the need for 24/7 availability. Another alternative would be to procure services on an as-needed or short-term basis; however, this approach is not recommended as it would likely result in higher costs, increased administrative burden, and potential service gaps that could impact regulatory compliance. A third alternative would be to delay award and re-solicit the services; however, this is not recommended as the current procurement resulted in multiple responsive proposals and a competitive evaluation process, and delaying award would disrupt continuity of critical compliance services.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy 465 - Procurement Policy

Board Policy 200-1 - Drug and Alcohol Policy for Safety Sensitive Employees

ATTACHMENTS:

None

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