

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/10/2026

Staff Report No. 26-256

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Auditing Services Contract Award

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider approving the award of a three-year contract with Crowe LLP with options for two one-year renewals for auditing services.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Financial Efficiency and Revenue Maximization

Having an external independent audit services firm engaged to perform annual audits and complete required reporting is mandatory and also has the added benefits of validating the District's finances and providing transparency and reliability in reporting numbers to outside parties.

BUDGETARY/FISCAL IMPACT:

The total fixed cost of the audit services for the three-year period is \$456,840. The option years are priced at \$153,800 and \$157,600, respectively, for a five-year total of \$768,240. This compares to the previous five-year contract for auditing services of \$685,000, representing an increase of \$83,000 or 12%. The contract also has provisions for optional audit-related consulting services for the five-year period for a maximum amount of \$575,000. This gives the total maximum contract spend amount over five years as \$1,343,420.

The base auditing services are included in the operating budget every year. Any additional audit-related services would only be used if budget is available.

CONTRACT AWARD SUMMARY:

Vendor Outreach Summary:	
No. DBE/SBES:	0

No. Registered Vendors:	70
Contract Summary:	
# Proposals/Bids Received:	4
Award Type:	Best Value
Independent Cost Estimate Range:	\$920,705 (audit services only)
Recommended for Award:	Crowe LLP
Small Business Type:	Not Applicable*
DBE/SBE Utilization %:**	N/A

* Neither SBE, nor DBE

** The District sets Small Business Enterprise (SBE) goals on contracting opportunities. The Federal Transit Administration (FTA) may authorize a Disadvantaged Business Enterprise (DBE) goal; however, SBE goals may result in DBE awards and utilization.

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 issued a Request For Proposals for the current external audit services contract which expires June 30, 2026. The evaluation panel was comprised of three (3) evaluators - two internal and one external - all with accounting and audit experience. The panel evaluated the proposals for each proposer with respect to each of the five evaluation criteria listed in the solicitation and shown below.

- Company Qualifications, Experience & References (25%)
- Qualifications and Experience of Key Personnel (25%)
- Project Understanding and Management Plan (15%)
- Quality Control Plan (15%)
- Cost (20%)

Four proposals were received and evaluated by the panel. The evaluation resulted in a recommendation for an award to Crowe LLP. Crowe LLP is the incumbent audit firm, and as such has proposed a new lead audit partner to comply with California Government Code section 12410.6.(b). This satisfies the auditor rotation requirements under the code.

In awarding this contract for external audit services the District will maintain compliance with Board Policy 304 - Accounting Policy, as well as with external laws, regulations, reporting standards, and funding agency

requirements.

While the audit services fee is fixed, use of the additional audit-related consulting services is solely dependent on District need. This amount also provides for additional costs that the District may incur for new Government Accounting Standards Board (GASB) or other regulatory or reporting changes which might change the level of effort required for the contractor to deliver the required audit documents.

ADVANTAGES/DISADVANTAGES:

Awarding this contract will allow the District to complete its required annual financial audit, stay in compliance with Board Policies, and fulfill a range of mandated internal and external reporting requirements including, but not limited to:

- AC Transit Board of Directors Expense Reports
- National Transit Database Report
- Alameda County Transportation Commission for Measures BB Report
- Special Transit Service Districts I & II reports
- Parcel Tax/Measure VV/C1 Report
- Federal Single Audit Report
- Proposition 1B Report
- Proposition 111 Report
- Low Carbon Transit Operations Program Report
- The State of California’s Controller’s Office for the “Special Districts Financial Transactions Report”, “Transit Operators Financial Transactions Report” & the “Financial Transactions Report” for AC Transit Financing Corporation

In addition the auditor and audit will meet the informational needs of Trustee Banks, conduit issuers, and external Rating agencies and other filing requirements such as those required by Municipal Securities Rulemaking Board (MSRB) and its Electronic Municipal Market Access (EMMA) program. There are no disadvantages to approving the recommended contract.

ALTERNATIVES ANALYSIS:

The only alternative to awarding the contract as recommended would be to re-solicit for the services. Staff cannot perform the independent audit function, and having an audit is a regulatory requirement for the District.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy 304 - Accounting Policy
Board Policy 465 - Procurement Policy

ATTACHMENTS:

None

Prepared by:

Kenneth Myers, Controller

Approved/Reviewed by:

Michael Silk, Assistant Director of Procurement & Materials Management

Aimee L. Steele, General Counsel/Chief Legal Officer

Chris Andrichak, Chief Financial Officer