Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2025-0787, **File Type:** Contract **Agenda Number:** 21.

EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 16, 2025

SUBJECT: AUDIT SERVICES BENCH

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 1 to Audit Services Bench Contract Nos. PS86611000 through PS86611007 (Attachment C) to exercise the first one-year option in an amount Not-To-Exceed $2,476,605, increasing the cumulative contract value from $7,142,240 to $9,618,845 and extending the period of performance from January 1, 2026 to December 31, 2026.

ISSUE

In October 2022, the Metro Board approved the establishment of the Audit Services Bench Contracts (Bench) for a combined total amount NTE $12,144,985 for a 3-year base term, plus two one-year options. The Bench provides Management Audit Services (MAS) with consulting and assurance services related to a broad range of audits and reviews, including as-needed staffing augmentation support and specialized audits.

Board authorization is requested to exercise the first one-year option to continue to provide specialized expertise and augmented audit services.

BACKGROUND

The Bench was established to support MAS in conducting a wide range of specialized audits and reviews, including as-needed staff augmentation and subject matter expertise. It provides flexibility in bringing in external resources that supplement staff capabilities, enabling the delivery of the Board-approved audit plan by ensuring timely access to specialized expertise and augmented staffing resources. The initial contracts were structured with a not-to-exceed value and options to ensure continuity of audit services. Further background regarding the initial procurement, as well as the price analysis supporting the recommended option, is included in Attachment A. The requested modification, which is the first and only modification to date, is reflected in Attachment B.

DISCUSSION

MAS is required to comply with Generally Accepted Government Auditing Standards (GAGAS).

GAGAS has a due professional care standard which requires MAS to bring in outside experts to supplement staff when the area being audited requires technical or specialized skills that are not available within the department. Co-sourcing is typically used to supplement staff expertise with highly specialized audits that exceed internal capacity and/or resources. Outsourcing is used when the complexity of the audit or the specialized skillsets and/or capacity required are not available in-house. Specialized audits that generally fall under this requirement include information technology projects, including construction or operations projects, programs and/or processes. Other areas of work outsourced or co-sourced to expert firms include Call-for-Projects closeout audits, grant audits such as the State Transportation Improvement Program, as well as financial, compliance, and external audits of subrecipients, Metro, and other entities.

To meet these needs effectively, the Bench is divided into two disciplines, staff augmentation and subject matter expertise, based on the nature of the audits (Attachment C). The firms selected for each discipline reflect the specialized capabilities required for these types of audits.

To date, a total of 17 task orders have been issued against the Bench, for a cumulative total value of $6,200,181, or 87% of the total NTE amount of $7,142,240 for the initial 3-year base term. Currently, four of the eight firms on the Bench are certified as Small Business Enterprises (SBE), and task orders have been awarded to these firms in a cumulative amount of $5,620,561, or 91% of the total awarded value. Because the bench is subject to the Small Business Set-Aside Program, priority is given to SBE firms. As a result, three of the four non-small business firms have not been awarded any task orders to date.

DETERMINATION OF SAFETY IMPACT

The recommendation does not impact the safety of Metro employees, passengers and/or customers.

EQUITY PLATFORM

Metro is committed to small business success and strives to provide a direct route for small businesses to work and grow with Metro. Each prime consultant has established distinct commitments for Small Business Enterprise/Disabled Veteran Business Enterprise (SBE/DVBE) participation. The bench currently includes eight prime consultants, four are SBE certified. To date, seventeen task orders have been awarded under this bench. The overall cumulative participation level across all bench participants is 76.14% SBE and 0% DVBE.
While each prime consultant also made an overall Disadvantaged Business Enterprise (DBE) commitment on this bench contract, the U.S. Department of Transportation has issued an Interim Final Rule (IFR) that makes changes to the DBE Program, including suspension of goals and enforcement, effective October 3, 2025. Metro is currently reviewing the IFR to identify necessary program and procedural changes to ensure full compliance. As such, while the DBE commitment is not a factor in the staff recommendation, there are 10 certified small businesses participating in this contract. This is noteworthy since small businesses are vital for the economy as they drive job creation, foster innovation, and strengthen local communities.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide. These declining VMT trends are due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as the professional services provided through the Audit Services Bench support the agency's goal of promoting effective and efficient operations and continuous improvement within the organization. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item generally supports the overall function of the agency, it is consistent with the goal of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

FINANCIAL IMPACT

Funding for FY26 is included in the department cost center budgets. Each task order awarded to a Contractor will be funded with the source of funds identified for the specific project. Recognizing the Bench option will continue into FY2027, the cost center manager(s) will be accountable for budgeting future costs.

Impact to Budget

The funding for the task orders is dependent upon the specific project.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item supports Metro Vision 2028 Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization. The Audit Services Bench will enable MAS to conduct specialized and time-sensitive audits in a responsive manner, supporting the agency's projects, programs, and initiatives.

ALTERNATIVES CONSIDERED

Two alternatives were considered. One alternative would be to hire additional full-time staff to perform the specialized audits. However, this alternative is not cost-effective because the volume of work fluctuates constantly, making this activity subject to periods of peak activity alternating with periods of low activity. Furthermore, some projects require various technical or specialized skills that are not readily available, as it is not practical to hire staff for each particular skill set. Another alternative would be to obtain the audit services through separate procurements. This is also not recommended, as this would prolong the procurement process, making it difficult to complete time-sensitive audits within the planned timeframe.

NEXT STEPS

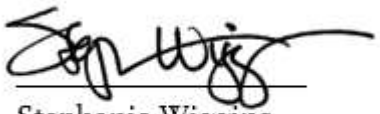
Upon Board approval, staff will execute Contract Modification No. 1 to the Audit Services Bench Contracts Nos. PS86611000 through PS86611007 and continue to award individual task orders for audit services.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - Firms on the Audit Services Bench
Attachment D - DEOD Summary

Prepared by: Monica Del Toro, Senior Manager, Audit (213) 922-7494
Lauren Choi, Senior Director, Audit, (213) 922-3096
Alfred Rodas, Senior Director, Audit, (213) 922-4553
Kimberly Houston, Deputy Chief Auditor, (213) 922-4720
Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer, (213) 213-4471

Reviewed by: Sharon Gookin, Deputy Chief Executive Officer, (213) 418-3101



Stephanie Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY
AUDIT SERVICES BENCH / PS86611000 THROUGH PS86611007

1.	**Contract Number**: PS86611000 through PS86611007			
2.	**Contractor**: Various (See Attachment C)			
3.	**Mod. Work Description**: Exercise first, one-year option.			
4.	**Contract Work Description**: Provide audit support services.			
5.	**The following data is current as of**: 8/5/25			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	10/27/22	**Contract Award Amount:**	$7,142,240
	Notice to Proceed (NTP):	N/A	**Total of Modifications Approved:**	$0
	Original Complete Date:	12/31/25	**Pending Modifications (including this action):**	$2,476,605
	Current Est. Complete Date:	12/31/26	**Current Contract Value (with this action):**	$9,618,845
7.	**Contract Administrator**: Aielyn Dumaua		**Telephone Number**: (213) 922-7320	
8.	**Project Manager**: Monica Del Toro		**Telephone Number**: (213) 922-7494	

A. Procurement Background

This Board Action is to approve Contract Modification No. 1 to Contract Nos. PS86611000 through PS86611007 to exercise the first, one-year option for audit support services and extend the period of performance from January 1, 2026, to December 31, 2026.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy, and the contract type is a task order based, firm fixed unit rate.

In October 2022, Metro awarded eight Audit Bench Services Contracts Nos. PS86611000 through PS86611007 to provide audit support services. The period of performance is a three-year base with two, one-year options.

No modification has been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Price Analysis

The recommended amount has been determined to be fair and reasonable based on pricing that was evaluated as part of the competitive award in October 2022. Pricing remains unchanged and is lower than current market rates for similar services. The Independent Cost Estimate (ICE) is based on the previously established Not-To-Exceed (NTE) amount for the first, one-year option term.

Proposal Amount	Metro ICE	Recommended Amount
$2,476,605	$2,476,605	$2,476,605

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

AUDIT SERVICES BENCH / PS86611000 THROUGH PS86611007

Mod No.	Description	Status (approved or pending)	Date	Amount
1	Exercise the first, one-year option extending the period of performance from 1/1/26 through 12/31/26	**Pending**	**Pending**	**$2,476,605**
	Modification Total			**$2,476,605**
	Original Contract:		**10/27/22**	**$7,142,240**
	Total:			**$9,618,845**

ATTACHMENT C – FIRMS ON THE AUDIT SERVICES BENCH

Contract No.	Consultant	Certifications
PS86611000	BCA Watson Rice, LLP	SBE
PS86611001	Qiu Accountancy Corporation	DBE / SBE
PS86611002	Simpson & Simpson, LLP	NONE
PS86611003	Talson Solutions, LLC.	DBE
PS86611004	TAP Financials, LLP	NONE
PS86611005	Tap International, Inc.	DBE / SBE
PS86611006	The Lopez Group, LLP	DBE / SBE
PS86611007	Vasquez and Company, LLP	NONE

DEOD SUMMARY

AUDIT SERVICES BENCH / PS86611000 THROUGH PS86611007

A. Small Business Participation

Each prime consultant made unique overall Small Business Enterprise/Disabled Veteran Business Enterprise (SBE/DVBE) commitments on the Audit Services Bench. Progress toward meeting overall SBE and DVBE commitments is measured based on the cumulative participation achieved through all task orders awarded to each prime.

The Small Business Prime (Set-Aside) Program is applicable to this bench because there are at least three (3) SBEs on the bench. To date, seventeen (17) task orders have been awarded to four (4) SBEs. Eleven (11) of those task orders have been awarded through the Set-Aside process.

While each prime consultant also made an overall Disadvantaged Business Enterprise (DBE) commitment on this bench contract, the U.S. Department of Transportation (USDOT) has issued an Interim Final Rule (IFR) that makes changes to the DBE Program effective October 3, 2025. Metro is currently reviewing the Interim Final Rule (IFR) to identify necessary program and procedural changes to ensure full compliance. As such, any DBE commitments are not a factor in this recommended action.

1. BCA Watson Rice (BCA) (PS866110)

BCA, an SBE-certified firm, has been awarded eight (8) task orders, all through the Set-Aside process. BCA made an overall 97% SBE and 3% DVBE commitment. Based on payments, the contract is 24% complete and the current SBE participation is 97.80%.

Small Business Commitment	**97% SBE 3% DVBE**	**Small Business Participation**	**97.80% SBE 0% DVBE**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	BCA Watson Rice LLP (Prime)	97%	97.80%
	Total SBE Commitment	**97%**	**97.80%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	Logic Technology Group LLC	3.00%	0.00%
	Total DVBE Commitment	**3.00%**	**0.00%**

2. Qiu Accountancy Corporation (Qiu) (PS866111)

Qiu, an SBE-certified firm, has been awarded one (1) federally funded task order. Qiu has not been awarded any non-federally funded task orders. Qiu made an overall 97% SBE and 3% DVBE commitment.

Small Business Commitment	**97% SBE 3% DVBE**	**Small Business Participation**	**0% SBE 0% DVBE**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	Qiu Accountancy Corporation (Prime)	97%	0%
	Total SBE Commitment	**97%**	**0%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	Juventino Gayatan, Jr. dba JGTaxPro	3%	0%
	Total DVBE Commitment	**3%**	**0%**

3. Simpson & Simpson LLP (PS866112)

Simpson & Simpson LLP has not been awarded any task orders to date. Simpson & Simpson LLP made an overall 30% SBE and 3% DVBE commitment.

Small Business Commitment	**30% SBE 3% DVBE**	**Small Business Participation**	**0% SBE 0% DVBE**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	Qiu Accountancy Corporation	30%	0%
	Total SBE Commitment	**30%**	**0%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	Dennis Nelson CPA APC	3%	0%
	Total DVBE Commitment	**3%**	**0%**

4. Talson Solutions (Talson) (PS866113)

Talson has not been awarded any non-federally funded task orders to date. Talson made an overall 90% SBE and 3% DVBE commitment.

Small Business Commitment	**90% SBE 3% DVBE**	**Small Business Participation**	**0% SBE 0% DVBE**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	TBD	90%	0%
	Total SBE Commitment	**90%**	**0%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	TBD	3%	0%
	Total DVBE Commitment	**3%**	**0%**

5. TAP Financial, LLP (PS866114)

TAP Financials, LLP (TAP) has not been awarded any task orders to date. TAP made an overall 30% SBE and 3% DVBE commitment.

Small Business Commitment	**30% SBE 3% DVBE**	**Small Business Participation**	**0% SBE 0% DVBE**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	TAP International	30.00%	0%
	Total SBE Commitment	**30.00%**	**0%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	DVBE Technology Group	3%	0%
	Total DVBE Commitment	**3%**	**0%**

6. TAP International, Inc. (TAP Int'l) (PS866115)

TAP Int'l, an SBE-certified firm, has been awarded one (1) task order through the Set-Aside process. TAP Int'l made overall 27% SBE and 3% DVBE commitment.

Based on payments, the contract is 96% complete and the current SBE participation is 100%.

Small Business Commitment	**27% SBE 3% DVBE**	**Small Business Participation**	**100% SBE 0% DVBE**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	TAP International (Prime)	27%	100%
	Total SBE Commitment	**27%**	**100%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	DVBE Technology Group	3%	0.00%
	Total DVBE Commitment	**3%**	**0.00%**

7. Lopez & Associates, LLP (Lopez) (PS866116)

Lopez, an SBE-certified firm, has been awarded four (4) task orders, including two (2) through the Set-Aside process. Lopez made an overall 97% SBE and 3% DVBE commitment. The contract is 69% complete based on payments, and current participation reflects 100% SBE and 0% DVBE. Lopez is exceeding its SBE commitments. However, there is a 3% shortfall in DVBE participation. Lopez explained that the two non-federally funded task orders were staffing supplement procurements that did not provide subcontracting opportunities. The firm reported that it intends to engage a DVBE firm as opportunities arise.

Small Business Commitment	**97% SBE 3% DVBE**	**Small Business Participation**	**100% SBE 0% DVBE**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	Lopez & Associates, LLP (Prime)	97%	100%
	Total SBE Commitment	**97%**	**100%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	TBD	3%	0%
	Total DVBE Commitment	**3%**	**0%**

8. Vasquez & Company, LLP (Vasquez) (PS866117)

Vasquez has not been awarded any task orders to date. Vasquez made an overall 27% SBE and 3% DVBE commitment.

Small Business Commitment	**27% SBE 3% DVBE**	**Small Business Participation**	**0% SBE 0% DVBE**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	BCA Watson Rice LLCP	27%	0%
	Total SBE Commitment	**27%**	**0%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	Amerit Consulting	3%	0%
	Total DVBE Commitment	**3%**	**0%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of $2.5 million.

E. Manufacturing Careers Policy

The Manufacturing Careers Policy (MCP) **does not apply** to this contract. The MCP is required on Metro's Rolling Stock RFPs, with an Independent Cost Estimate of at least $50 million.

Delivering value through partnership and trust

Audit Services Bench

Executive Management Committee

October 16, 2025

Kimberly Houston, Deputy Chief Auditor
Alfred Rodas, Senior Director, Audit
Monica Del Toro, Senior Manager, Audit

Metro

MANAGEMENT AUDIT SERVICES

Recommendation / Background

Action: Approve Modification No. 1 to existing Contracts for a one-year option through December 31, 2026. Not-to-exceed amount of $2.5M increasing contract value to $9.6M.

Background: Bench established in 2022 for specialized audit services and staff augmentation, with 17 task orders issued to date for a total of $6.2M.

Next Steps

- Staff will execute contract modifications.
- Continue to award individual task orders for audit services.

Questions