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

File #: 2026-0678, **File Type:** Contract **Agenda Number:** 10.

FINANCE, BUDGET, AND AUDIT COMMITTEE
NOVEMBER 19, 2026

SUBJECT: AUDIT SERVICES BENCH

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to the Audit Services Bench Contract Nos. PS86611000 through PS86611007 to exercise the second, one-year option in an amount Not-To-Exceed (NTE) $2,526,140, increasing the cumulative contract value from $9,618,845 to $12,144,985 and extending the period of performance from January 1, 2027 to December 31, 2027.

ISSUE

At its October 2022 meeting, the Board approved the establishment of Audit Services Bench contracts (Bench <https://boardagendas.metro.net/board-report/2022-0641/>) for a combined total amount not to exceed $12,144,985 for a 3-year base term, plus two, one-year options. The Bench provides Management Audit Services (MAS) consulting and assurance services across a broad range of audits and reviews, including as-needed staffing augmentation support and specialized audits.

Board authorization is requested to exercise the second, 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. It provides flexibility to bring in external resources that supplement staff capabilities, enabling 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 NTE value and options to ensure continuity of audit services. Attachment A includes additional background on the procurement and the price analysis supporting the recommendation. Attachment B reflects the requested modification, the second modification to date.

At its October 2025 meeting, the Board approved the first option year <https://boardagendas.metro.net/board-report/2025-0787/>, increasing the total contract value to

support additional task orders for audit services. That action increased the total contract value to $9,618,845.

DISCUSSION

MAS is required to comply with Generally Accepted Government Auditing Standards (GAGAS). GAGAS has a due professional care standard that requires MAS to bring in outside experts to supplement staff when the area being audited requires technical or specialized skills not available within the department. Co-sourcing typically supplements staff expertise for highly specialized audits that exceed internal capacity and/or resources. Outsourcing is used when the audit's complexity or the specialized skill sets and/or capacity required are not available in-house. Specialized audits that generally fall under this requirement include information technology projects, construction or operations projects, programs and/or processes. Other work outsourced or co-sourced to expert firms includes Call-for-Projects closeout audits, grant audits such as the State Transportation Improvement Program, and 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 18 task orders have been issued against the Bench, for a cumulative total value of $6,531,998, or 68% of the total NTE amount of $9,618,845 for the initial 3-year base term plus first one-year option.

Of the 18 task orders issued to date, 7 supported other departments, including the Office of the Inspector General, Accounting and Planning. The remaining 11 task orders fall into three categories: 4 task orders covering 34 financial and compliance audits that must be performed by external independent auditors; 4 task orders for staff augmentation services, supporting 53 audits; and 3 task orders for specialized outsourced audits resulting in three performance audits.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Funding for FY27 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 that the Bench option will continue into FY2028, the cost center manager(s) will be accountable for budgeting future costs.

Impact to Budget

Funding for task orders is dependent upon the specific project. Fund sources include those that are

eligible for operating expenses.

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.

For this Audit Services Bench, the Diversity & Economic Opportunity Department (DEOD) established an overall 27% Small Business Enterprise (SBE) and an overall 3% Disabled Veteran Business Enterprise (DVBE) goal. Each bench participant made individual overall SBE and DVBE commitments on this contract. The bench includes eight prime consultants; five of which are SBE certified. Progress towards meeting the overall commitments is measured based on the cumulative participation achieved through all task orders awarded to each prime. To date, 18 task orders, consisting of eight federally funded and 10 non-federally funded, have been awarded to five SBEs, with 12 task orders awarded through the Set-Aside program.

While each bench participant 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. As such, any DBE commitments are not a factor in this recommended action. While the DBE commitment is not a factor in the staff recommendation, there are 10 certified small businesses participating in this contract.

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.

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, creating 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 it would prolong the procurement process and make it difficult to complete time-sensitive audits within the planned timeframe.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 2 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/Changer Order Log
Attachment C - Firms on the Audit Services Bench
Attachment D - DEOD Summary

Prepared by: A. Wills, Manager, Audit
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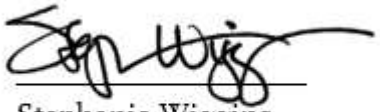

Stephanie Wiggins
Chief Executive Officer

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 second, one-year option.			
4.	**Contract Work Description**: Provide audit support services.			
5.	**The following data is current as of**: 9/22/26			
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:**	$2,476,605
	Original Complete Date:	12/31/26	**Pending Modifications (including this action):**	$2,526,140
	Current Est. Complete Date:	12/31/27	**Current Contract Value (with this action):**	$12,144,985
7.	**Contract Administrator**: Armine Menemshyan		**Telephone Number**: (213) 922-4851	
8.	**Project Manager**: Monica del Toro		**Telephone Number**: (213) 922-7494	

A. Procurement Background

This Board Action is to approve Modification No. 2 to Contract Nos. PS86611000 through PS86611007 to exercise the second, one-year option for audit support services and extend the period of performance from January 1, 2027, to December 31, 2027.

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.

On October 27, 2022, the Board awarded eight Audit Bench Services Contract Nos. PS86611000 through PS86611007 to provide audit support services. The period of performance is a three-year base with two, one-year options.

One modification has been issued to date.

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

B. Price Analysis

The recommended price 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 NTE amount for the second, one-year option term.

Proposal Amount	Metro ICE	Recommended Amount
$2,526,140	$2,526,140	$2,526,140

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 (POP) through 12/31/26.	Approved	10/23/25	$2,476,605
2	Exercise the second, one-year option extending the POP through 12/31/27.	**Pending**	**Pending**	**$2,526,140**
	Modification Total			**$5,002,745**
	Original Contract:		**10/27/22**	**$7,142,240**
	Total:			**$12,144,985**

ATTACHMENT C – FIRMS ON THE AUDIT SERVICES BENCH

Contract No.	Firm	Disciplines		Task Order Award Amount
		Staff Augmentation	Subject Matter Expertise	
PS86611000	BCA Watson Rice, LLP	Y	Y	$2,855,572
PS86611001	Qiu Accountancy Corporation	Y	Y	$1,201,856
PS86611002	Simpson & Simpson, LLP*	Y	Y	$0
PS86611003	Talson Solutions, LLC*		Y	$579,620
PS86611004	TAP Financials, LLP*	Y		$0
PS86611005	Tap International, Inc.		Y	$133,433
PS86611006	The Lopez Group, LLP	Y	Y	$1,761,818
PS86611007	Vasquez and Company, LLP*		Y	$0

Note: An asterisk (*) identifies a non-Small Business Enterprise (SBE) firm. 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-SBE firms have not been awarded any task orders to date.

DEOD SUMMARY

AUDIT SERVICES BENCH / PS86611000 THROUGH PS86611007

A. Small Business Participation

For this Audit Services Bench, the Diversity & Economic Opportunity Department (DEOD) established an overall 30% Disadvantaged Business Enterprise (DBE), 27% Small Business Enterprise (SBE) and an overall 3% Disabled Veteran Business Enterprise (DVBE) goal. Each bench participant made individual overall SBE and DVBE commitments on this contract. The bench includes eight prime consultants; five of which are SBE certified. Progress towards meeting the overall commitments is measured based on the cumulative participation achieved through all task orders awarded to each prime. To date, eighteen (18) task orders, consisting of eight (8) federally funded and ten (10) non-federally funded, were awarded to five (5) SBEs.

The Small Business Prime (Set-Aside) Program is applicable to this bench when there are at least three (3) SBEs on the bench. Twelve (12) task orders have been awarded through the Set-Aside Program.

While each bench participant 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, LLP (BCA) (PS86611000)

BCA, an SBE-certified firm, has been awarded seven (7) non-federally and one (1) federally funded task orders. BCA made an overall 30% DBE, 97% SBE and 3% DVBE commitment. Based on payments, the contract is 67% complete, and the current SBE and DVBE participation is 92.43% SBE and 0% DVBE; representing a shortfall of both the SBE and DVBE commitments by 4.57% and 3%. BCA has a shortfall mitigation plan on file and contends, and concurred with by Metro's Project team, that the SBE shortfall is due to the need to engage non-certified subject matter experts on a few of the task orders; while the DVBE shortfall is due to BCA not yet bidding on task orders that require the expertise (computer services) of the DVBE. BCA anticipates mitigating the SBE and DVBE shortfalls by Q4 2027.

Small Business Commitment	**30% DBE 97% SBE 3% DVBE**	**Small Business Participation**	**N/A DBE 92.43% SBE 0% DVBE**

	DBE Subcontractor	**% Committed**	**% Participation**
1.	William Adley & Company	30.00%	N/A
	Total DBE Commitment	**30.00%**	**N/A**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	BCA Watson Rice LLP (Prime)	97.00%	92.43%
	Total SBE Commitment	**97.00%**	**92.43%**

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

1. 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 to date. Qiu made an overall 100% DBE, 97% SBE and 3% DVBE commitment.

Small Business Commitment	**100% DBE 97% SBE 3% DVBE**	**Small Business Participation**	**N/A DBE 0% SBE 0% DVBE**

	DBE Subcontractor	**% Committed**	**% Participation**
1.	Qiu Accountancy Corporation (Prime)	100%	N/A
	Total DBE Commitment	**100%**	**N/A**

	SBE Subcontractor	% Committed	% Participation
1.	Qiu Accountancy Corporation (Prime)	97.00%	0%
	Total SBE Commitment	**97.00%**	**0%**

	DVBE Subcontractor	% Committed	% Participation
1.	Juventino Gayatan, Jr. dba JGTaxPro	3.00%	0%
	Total DVBE Commitment	**3.00%**	**0%**

2. Simpson & Simpson LLP (PS866112)

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

Small Business Commitment	**30% DBE 30% SBE 3% DVBE**	**Small Business Participation**	**N/A DBE 0% SBE 0% DVBE**

	DBE Subcontractor	% Committed	% Participation
1.	Qiu Accountancy Corporation	30.00%	N/A
	Total DBE Commitment	**30.00%**	**N/A**

	SBE Subcontractor	% Committed	% Participation
1.	Qiu Accountancy Corporation	30.00%	0%
	Total SBE Commitment	**30.00%**	**0%**

	DVBE Subcontractor	% Committed	% Participation
1.	Dennis Nelson CPA APC	3.00%	0%
	Total DVBE Commitment	**3.00%**	**0%**

3. Talson Solutions (Talson) (PS866113)

Talson an SBE-certified firm, has been awarded three (3) federally funded task orders. Talson has not been awarded any non-federally funded task orders to date. Talson made an overall 30% DBE, 90% SBE and 3% DVBE commitment.

Small Business Commitment	**30% DBE 90% SBE 3% DVBE**	**Small Business Participation**	**N/A DBE 0% SBE 0% DVBE**

	DBE Subcontractor	% Committed	% Participation
1.	Talson Solutions (Prime)	30.00%	N/A
	Total DBE Commitment	**30.00%**	**N/A**

	SBE Subcontractor	% Committed	% Participation
1.	Talson Solutions (Prime)	90.00%	0%
	Total SBE Commitment	**90.00%**	**0%**

	DVBE Subcontractor	% Committed	% Participation
1.	TBD	3.00%	0%
	Total DVBE Commitment	**3.00%**	**0%**

4. TAP Financial, LLP (PS866114)

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

Small Business Commitment	**30% DBE 30% SBE 3% DVBE**	**Small Business Participation**	**N/A DBE 0% SBE 0% DVBE**

	DBE Subcontractor	% Committed	% Participation
1.	TAP International	30.00%	N/A
	Total DBE Commitment	**30.00%**	**N/A**

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

	DVBE Subcontractor	% Committed	% Participation
1.	DVBE Technology Group	3.00%	0%
	Total DVBE Commitment	**3.00%**	**0%**

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

TAP Int'l, an SBE-certified firm, has been awarded one (1) non-federally funded task order. Tap has not been awarded any federally funded task orders, to date. TAP Int'l made an overall 30% DBE, 27% SBE and 3% DVBE commitment. Based on payments, the contract is 100% complete, and the current SBE participation is 100%. TAP Int'l has a shortfall mitigation plan on file and contends, and concurred with by Metro's Project team, that the DVBE shortfall is due to the DVBE firm's lack of availability. TAP Int'l anticipates utilizing the DVBE firm on future task orders to compensate for this shortfall.

Small Business Commitment	**30% DBE 27% SBE 3% DVBE**	**Small Business Participation**	**N/A DBE 100% SBE 0% DVBE**

	DBE Subcontractor	% Committed	% Participation
1.	TAP International (Prime)	30.00%	N/A
	Total SBE Commitment	**30.00%**	**N/A**

	SBE Subcontractor	% Committed	% Participation
1.	TAP International (Prime)	27.00%	100%
	Total SBE Commitment	**27.00%**	**100%**

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

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

Lopez, an SBE-certified firm, has been awarded two (2) non-federally and three (3) federally funded task orders. Lopez made an overall 100% DBE, 97% SBE and 3% DVBE commitment. The contract is 100% complete based on payments, and current participation reflects 100% SBE and 0% DVBE. Lopez is exceeding its SBE commitment; however, there is a 3% shortfall in DVBE participation. Lopez explained that the two (2) task orders were staffing supplement procurements that did not provide subcontracting opportunities. The firm reported that it intends to engage a DVBE firm as future opportunities arise to compensate for this shortfall.

Small Business Commitment	**100% DBE 97% SBE 3% DVBE**	**Small Business Participation**	**N/A DBE 100% SBE 0% DVBE**

	DBE Subcontractor	**% Committed**	**% Participation**
1.	Lopez & Associates, LLP (Prime)	100.00%	N/A
	Total DBE Commitment	**100.00%**	**N/A**

	SBE Subcontractor	**% Committed**	**% Participation**
1.	Lopez & Associates, LLP (Prime)	97.00%	100%
	Total SBE Commitment	**97.00%**	**100%**

	DVBE Subcontractor	**% Committed**	**% Participation**
1.	TBD	3.00%	0%
	Total DVBE Commitment	**3.00%**	**0%**

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

Vasquez has not been awarded any task orders to date. Vasquez made an overall 30% DBE, 27% SBE and 3% DVBE commitment.

Small Business Commitment	**30% DBE 27% SBE 3% DVBE**	**Small Business Participation**	**N/A DBE 0% SBE 0% DVBE**

	DBE Subcontractor	% Committed	% Participation
1.	William Adley & Company	30.00%	N/A
	Total DBE Commitment	**30.00%**	**N/A**

	SBE Subcontractor	% Committed	% Participation
1.	BCA Watson Rice LLCP	27.00%	0%
	Total SBE Commitment	**27.00%**	**0%**

	DVBE Subcontractor	% Committed	% Participation
1.	Amerit Consulting	3.00%	0%
	Total DVBE Commitment	**3.00%**	**0%**

B. Project Labor Agreement/Construction Careers Policy (PLA/CCP)

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.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

D. Living Wage Service Contract Worker Retention Policy Applicability

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

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.



Audit Services Bench

Finance, Budget and Audit Committee
November 19, 2026

Kimberly Houston, Deputy Chief Auditor
Andre Wills, Audit Manager

Recommendation / Background



Action: Authorize the Chief Executive Officer to execute Modification No. 2 to the Audit Services Bench Contract Nos. PS86611000 through PS86611007 to exercise the second, one-year option in an amount Not-To-Exceed (NTE) $2,526,140, increasing the cumulative contract value from $9,618,845 to $12,144,985 and extending the period of performance from January 1, 2027 to December 31, 2027.



Background: Bench established in 2022 for specialized audit services and staff augmentation, with 18 task orders issued to date for a total of $6,531,998.

Next Steps

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

Questions