


M E M O

Alameda Corridor Transportation Authority

To: Governing Board

Meeting Date: June 25, 2025

From: Kevin L. Scott, Chief Financial Officer 

Subject: APPROVE Agreement No. C0928 with Baker Tilly US, LLP for Financial Audit Services for a 5-year term and compensation not to exceed \$600,000

Recommendation:

Approve Agreement No. C0928 with Baker Tilly US, LLP (Baker Tilly) for financial audit services and authorize the Chief Executive Officer to execute the Agreement. The term of the proposed Agreement is for 5 years, unless terminated earlier, with a not-to-exceed compensation amount of \$600,000.

Discussion:

The Joint Powers Agreement establishing ACTA requires that audits of ACTA's financial records be conducted annually. In 1998, 2004 and 2009, following competitive selection procedures, the ACTA Governing Board approved agreements with KPMG to conduct the annual financial audits.

In 2015, following another competitive selection process, Moss Adams, LLP (Moss Adams) was selected for a five-year term with a five-year renewal option. The Agreement has been amended six times:

1. In 2016 to add service and increase compensation
2. In 2017 to increase compensation
3. In 2019 to extend the term by three years and increase compensation
4. In 2020 to add services and increase compensation
5. In 2021 to Increase compensation
6. In 2023 to extend the term by two years and increase compensation

On March 6, 2025, ACTA issued a Request For Proposals ("RFP") for financial audit services. Eight firms submitted proposals in response to the RFP on April 10, 2025. A four-member evaluation committee consisting of ACTA's Chief Financial Officer, Principal Accountant, Senior Accountant and a Port of Los Angeles' Financial Manager reviewed the written proposals. The RFP Selection Evaluation Form is provided in Transmittal 3. Four firms were invited to participate in interviews, which were conducted during the week of May 5, 2025.

Based on the written proposals received and interviews conducted, the evaluation committee scored the incumbent firm, Moss Adams, the highest among the eight firms. A list of the firms submitting proposals and the evaluation committee scores are shown on Transmittal 4. During the interview with Moss Adams, the lead partner disclosed that effective June 1, 2025, the firm would merge with Baker Tilly and thereafter be known as Baker Tilly US, LLP. The Agreement requires that the Moss Adams' proposed staffing remains the same while those individuals remained employed with Baker Tilly. However, California Government Code section 12410.6.(b) requires that the lead audit partner for a local agency serve no more than six consecutive years. Accordingly, the

Moss Adams lead partner, now named as the Baker Tilly lead partner, will rotate off the ACTA audit team prior to the start of the FY2027 audit, having served a six-year term. The next lead audit partner will be selected in accordance with the terms of the Agreement wherein ACTA is authorized to select the next lead partner. The proposed Agreement with Baker Tilly is provided in Transmittal 1 and the Scope of Work for the financial audits is provided in Transmittal 2.

Budget Impact:

The proposed not to exceed amount for the Agreement is \$600,000 for the five-year term. For fiscal year 2025-26, the ACTA Operating Budget includes \$110,000 for Financial Audit Services.. Future fiscal year spending will be requested to be budgeted as part of the annual budgeting process, subject to Board approval.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed and approved the proposed Agreement as to form.

Transmittals:

Transmittal 1 – Agreement No. C0928

Transmittal 2 – Scope of Work

Transmittal 3 – Evaluation Form

Transmittal 4 – Evaluation Scores of Proposing Firms