

BOARD MEETING DATE: March 6, 2026

AGENDA NO. 7

PROPOSAL: Execute Contract for Independent Audit Services for FYs Ending June 30, 2026, 2027, and 2028

SYNOPSIS: On November 7, 2025, the Board approved release of an RFP for independent financial audit services. Four proposals were submitted to the Administrative Committee for consideration at its February 13, 2026 meeting. After the Committee interviewed representatives of each of the firms, Simpson & Simpson, LLP was selected to be recommended to the full Board.

COMMITTEE: Administrative, February 13, 2026; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chair to execute a contract with Simpson & Simpson, LLP for performance of the South Coast AQMD's Financial Audits for FYs ending June 30, 2026, 2027, and 2028 in an amount not to exceed \$262,727.00.

Wayne Natri
Executive Officer

SJ:gp

Background

A financial audit is performed annually on South Coast AQMD in compliance with the California Government Code and audit requirements for federal awards under the Uniform Guidance.* This audit is performed by independent Certified Public Accountants, and their reports are addressed to the Board. The Board approved release of an RFP for independent financial services.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

* Office of Management and Budget – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200, is referred to as the Uniform Guidance.

Additionally, potential bidders may have been notified utilizing South Coast AQMD’s own electronic listing of certified minority vendors. Notice of the RFP was emailed to Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the South Coast AQMD’s website (<http://www.aqmd.gov>).

Bid Evaluation

Notice of RFP #P2026-06 was sent out to fifteen firms who have requested to be notified of South Coast AQMD procurement for auditing services. Four proposals were received prior to the bid closing at 2:00 p.m. on January 15, 2026.

The evaluation panel consisted of a Sacramento Metropolitan Air Quality Management District Controller and two South Coast AQMD staff: Principal Deputy District Counsel and a Budget & Grants Manager. Of the three panelists, one is Hispanic, and two are Caucasian. The panel was composed of one male and two females. All four bidders qualified and the results are as follows:

BIDDER	ANNUAL AUDIT HOURS	BID AMOUNT 3 YEARS	TECHNICAL SCORE	NOT ENGAGED WITH SOUTH COAST AQMD IN LAST 5 YEARS	LOCAL FIRM	TOTAL POINTS *	OVERALL RANK
Simpson & Simpson, LLP	626	\$262,727	64	√	√	93	1
LSL, LLP	455	\$250,010	66	-	√	91	2
Badawi & Associates, CPAs	477	\$185,363	61	√	**	91	2
Davis Farr, LLP	440	\$202,020	56	√	√	88	3

* Total maximum points of 117
 ** Not a local firm

The selection criteria used to rank the proposals included responsiveness to the RFP; technical expertise; qualifications and experience; past performance; cost; SB/SBJV/DVBE/DVBEJV/DVBE/SB subcontractors/local business designation (non-EPA). Based on the panel’s assessment of the criteria, all four bidders were submitted to Administrative Committee for consideration and recommendation to the full Board. The Committee recommended Simpson & Simpson, LLP.

Recommendation

At the Administrative Committee meeting on February 13, 2026, the four candidate firms were interviewed. Based on the interviews, Simpson & Simpson, LLP was selected.

Resource Impacts

The maximum audit costs, including out-of-pocket expenses, are \$85,000, \$87,550, and \$90,177 for FYs ending June 30, 2026, 2027, and 2028, respectively. Funding will be requested through the annual budget process.