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

Metro

Board Report

File #: 2016-0765, **File Type:** Contract **Agenda Number:** 20.

CONSTRUCTION COMMITTEE
EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 20, 2016

SUBJECT: METRO PILOT CRENSHAW/LAX TRANSIT PROJECT BUSINESS SOLUTION CENTER

ACTION: AWARD CONTRACT

RECOMMENDATION

CONSIDER AUTHORIZING the Chief Executive Officer to:

A. AWARD a two-year, firm fixed price Contract No. PS2890900 to Del Richardson & Associates, Inc. for **professional services to operate the Metro Pilot Crenshaw/LAX Transit Project Business Solution Center** (BSC) in the amount of $849,008 for the two-year period, subject to resolution of protest(s), if any; and

B. AMEND the FY17 budget in the amount of $380,000 to fund the award of Contract No. PS2890900 for professional services to operate the pilot BSC.

ISSUE

In July 2014, Metro's Board of Directors issued Motion 79 which authorized the CEO to establish a Metro Pilot Business Solution Center to provide hands-on case management services and business assistance to small businesses along the Crenshaw Corridor between 48th and 60th Streets during the four-year term of the Crenshaw/LAX Transit Line Project.

The BSC formally launched operations in February 2015; and Metro staff completed a program assessment in February 2016 which included feedback from Metro's Contractor and members of the business community engaged in the BSC services. As a result, Metro staff assessed the feasibility of re-scoping the pilot program model and contract scope of work and issued a new solicitation to perform BSC services. In recognition of Motion 79 (Attachment B) and the vital role Metro's BSC provides to the small business community within the Crenshaw Corridor, this contract award will enable Metro to meet the objective of securing a service provider to operate the Pilot BSC for the remaining two years of operations for the pilot program.

powered by Legistar™

DISCUSSION

Recognizing the BSC is Metro's first-ever pilot program, staff continues to provide ongoing review and assessment of the program; and in light of the program being operational for more than one year a comprehensive program assessment was initiated in January 2016. The assessment included: feedback from business owners about their experience and interactions with the BSC through a facilitated focus group; review of the program model with Metro project staff and the Contractor through a facilitated project review meeting; review of the original report entitled "Recommendations for a Pilot Metro Business Solutions Center;" and an assessment of program metrics such as the number of businesses along the project alignment seeking support services including the number of businesses internal and external of the the BSC target area of 48th - 60th Street. In addition, Metro staff conducted another series of market research interviews with five small business service providers to obtain best practices and industry standards for small business assistance programs.

The program model for Metro's pilot BSC was developed through the framework outlined in the "Recommendations for a Pilot Metro Business Solutions Center" and Motion 79 that recommended the BSC provide business assistance including expert business advice, technical assistance and other focused resources for businesses in the target area of 48th - 60th Street based on construction activity of the at-grade portion of the transit rail project. As a result, the current scope of work provides focused resources such as hands-on case-management only for small businesses in the BSC target area. However, as with any pilot program, Metro has gained additional information, observations and lessons learned to allow enhancements to be made to the project model and scope of work. For example, more than 60% of small businesses seeking BSC support services are outside the predefined BSC target area thus they do not have access to the hands-on case management services. In addition, based on the business demographic data and the areas of services additional insights have been attained to support enhancements to the types of specialized services and resources provided by the BSC. Re-scoping the program model and contract scope of work will enhance the level of services provided to businesses located outside the target area along the Crenshaw Corridor. Furthermore, based on their interactions with the BSC, participants of the business focus group stressed the need for Metro to enhance the case management model and scope; and to provide access to specialized subject matter experts for technical business support.

Moreover, Metro's BSC has achieved program successes within the first year of operations through providing technical support services and referrals for more than 200 businesses in the areas of marketing, access to capital including referral to Metro's Business Interruption Fund, social media and technology and others. The BSC continues to provide small businesses along the Crenshaw Corridor access to business experts and customized small business programs such as "Salon Management," "Building Your Brand" and the "Brainstorming over Breakfast" workshop which focused on restaurateurs. Recently, through collaboration with the Los Angeles Urban League the BSC delivered a Google sponsored program "Get Your Business Online;" which focused on introducing social media and technology based tools to the small business community. These intensive workshops are a demonstration of the types of innovative support services and programs offered to the small business community through Metro's BSC. Re-scoping the program model will not only enhance the level of services provided by the BSC but also enhance the level of expert services available to businesses within the Crenshaw Corridor regardless of their location within the

predefined area of 48th - 60th Street; and provide the businesses access to the one-on-one focused client services throughout the remaining two-year term of the BSC operations.

The objective of the solicitation was to procure a Contractor to operate the pilot BSC inclusive of: (1) one-on-one focused client services for small and micro businesses located along the Corridor, (2) access to services via multiple avenues including a field and virtual (web based) presence, and (3) an outreach program for small and micro businesses on the Corridor to facilitate the utilization of available services and resources including access to other business experts and resource providers referred through the BSC. The Contractor shall perform one-on-one client services and outreach functions for potentially more than 200 businesses along the Crenshaw Corridor that have experienced the impacts of the transit rail construction. Metro staff will continue to provide proactive oversight and assessment of the pilot program and the Contractor during the final years of operations.

DETERMINATION OF SAFETY IMPACT

The Pilot BSC will have no impact on safety of Metro's patrons or employees.

FINANCIAL IMPACT

Metro staff previously identified Measure R Admin funds as the most suitable funding source to support the implementation and administration of the Pilot BSC. Therefore, Metro will continue to fund the Pilot BSC's remaining two-year activities for fiscal years 2017 and 2018 for the total negotiated amount. An adjustment will be made to the FY17 budget to fund the contract award for professional services to operate the remaining two years of the Pilot BSC. Since this is a multi-year contract, Vendor/Contract Management will be responsible for budgeting funds for FY18 in Cost Center 0691Non-Departmental Procurement; Project Number 100055, Project Name - Admin-Measure R; Task No. 05.01 and Task Name Crenshaw BSC.

Impact to Budget

The source of funds for this project will be from Measure R Admin. Upon review of operating and project source of funds, the identified funds were deemed most suitable. An amendment will be made to the FY17 budget for an increase in the amount of $380,000 to fund the award of Contract No. PS2890900 for professional services to operate the pilot BSC.

ALTERNATIVES CONSIDERED

1. Not awarding this Contract. Staff is not recommending this alternative because it will affect Metro's ability to provide the identified services to small and micro businesses along the Crenshaw Corridor during the remaining two-year term of construction of the Crenshaw/LAX Transit Line.

2. Utilizing Metro staff to operate the Pilot BSC. This alternative is not recommended because Metro does not have the required staffing availability, dedicated resources or expertise to operate the pilot BSC and perform the services as outlined in the SOW.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS2890900 with Del Richardson & Associates, Inc.. In compliance with Board Motion 57 dated September 14, 2014, Metro staff will continue to report back to the Board of Directors on the status of the BSC and services to be performed by the Contractor.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Motion 79
Attachment C - DEOD Summary

Prepared by: Shalonda Baldwin, Deputy Executive Officer of Project Management, Vendor/Contract Management, (213) 922-4488

Reviewed by: Debra Avila, Chief, Vendor/Contract Management Officer, (213) 418-3051

Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

METRO PILOT CRENSHAW/LAX TRANSIT PROJECT BUSINESS SOLUTION CENTER / PS2890900

1.	**Contract Number**: PS2890900	
2.	**Recommended Vendor**: Del Richardson & Associates, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: May 24, 2016	
	B. Advertised/Publicized: May 24, 2016	
	C. Pre-Proposal/Pre-Bid Conference: June 6, 2016	
	D. Proposals/Bids Due: June 27, 2016	
	E. Pre-Qualification Completed: September 13, 2016	
	F. Conflict of Interest Form Submitted to Ethics: July 5, 2016	
	G. Protest Period End Date: October 26, 2016	
5.	**Solicitations Picked up/Downloaded**: 42	**Proposals Received**: 1
6.	**Contract Administrator**: Lily Lopez	**Telephone Number**: (213) 922-4639
7.	**Project Manager**: Shalonda Baldwin	**Telephone Number**: (213) 922-4488

A. Procurement Background

This Board Action is to approve Contract No. PS2890900 issued in support of the Metro Pilot Crenshaw/LAX Transit Project Business Solution Center (BSC) to operate the BSC inclusive of providing: (1) one-on-one focused client services for small and micro businesses located along the Crenshaw/LAX Transit Project Corridor, (2) access to services via multiple avenues including a field and virtual (web based) presence, and (3) an outreach program for small and micro businesses on the Corridor to facilitate the utilization of available services and resources including access to other business experts and resource providers referred through the BSC. Board approval of contract awards are subject to resolution of all properly submitted protests.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price. The RFP was issued with an SBE/DVBE goal of 23% (SBE 20% and DVBE 3%).

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on June 7, 2016, provided responses to questions received, and documents related to the pre-proposal conference held on June 6, 2016.

A pre-proposal conference was held on June 6, 2016, attended by 11 participants representing seven companies. There were five questions asked and responses were released prior to the proposal due date.

A total of 42 firms downloaded the RFP and were included in the planholders list.

One proposal was received on June 27, 2016. A market survey was conducted of planholders that did not submit a proposal to ascertain the reason(s) for non-submittal. Fifteen responses were received. Reasons given for not submitting proposals included limited resources, time constraints and firm's capabilities did not align with requested services.

B. Evaluation of Proposal

The Proposal Evaluation Team (PET) consisting of staff from Metro's Vendor Contract Management and Risk Management was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

• Service Provider Experience and Qualifications	30 percent
• Service Provider Experience with Similar Services	15 percent
• Project Understanding and Approach	30 percent
• Business Finance Support Experience	5 percent
• Cost Proposal	20 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar procurements for professional services. Several factors were considered when developing these weights, giving the greatest importance to both service provider experience and qualifications and project understanding and approach.

During the week of July 4, 2016, the PET completed its independent evaluation of the proposal. An oral presentation was held on August 2, 2016. At the conclusion of the oral presentation, the PET re-evaluated the proposal based on the information in the technical proposal and discussion held, and it was determined that Del Richardson & Associates, Inc. (DRA) was qualified to render the required services.

Qualifications Summary:

DRA

DRA is a Metro-certified SBE firm with demonstrated community engagement and outreach experience. DRA's proposed approach is comprehensive and provides a clear plan to provide a wide range of services and access to resources for the

Crenshaw/LAX business community. Their previous experience with Metro projects and their role as the incumbent contractor has equipped DRA for this work effort and places them in an ideal position to benefit both from their knowledge of the current operations as well as affording them the opportunity to enhance their services through innovative programs designed to engage participating businesses.

A summary of the PET scores is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**DRA**				
3	Service Provider Experience and Qualifications	92.33	30.00%	27.70	
4	Service Provider Experience with Similar Services	83.33	15.00%	12.50	
5	Project Understanding and Approach	90.00	30.00%	27.00	
6	Business Finance Support Experience	86.60	5.00%	4.33	
7	Cost	100.00	20.00%	20.00	
8	**Total**		**100.00%**	**91.53**	**1**

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon a technical analysis, a cost analysis, fact finding, and negotiations.

The ICE was based on an estimate from 2013 for the original Pilot BSC program. Due to the unique attributes of the project, Metro did not have reliable data to adequately estimate the actual level of effort that such a program would require. As such, the enhanced focused client support services needed to support the greater number of businesses outside the initial target area requires a greater level of effort and resources as the initial model for the pilot was based on the reliance of services and experts through pre-identified "business development partners." Additionally, the ICE did not account for two major components: (1) the inclusion of subject matter experts to deliver educational and informational business resources to businesses engaged in the BSC; and (2) the outreach and engagement in light of the new program model comprised of one-on-one client services for potentially 200 businesses along the corridor.

Metro staff successfully negotiated a cost savings of $707,034 by reducing the duplication of efforts and clarifying the intent of the Statement of Work.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
1.	DRA	$1,556,042	$390,000	$849,008

D. Background on Recommended Contractor

The recommended firm, DRA located in Inglewood, California, and founded in 1998, provides real estate and personal property acquisition, relocation and community engagement and outreach services to the public, profit and non-profit agencies. DRA is the incumbent on the existing BSC contract awarded in October 2014, and has performed satisfactorily and has been responsive to the community needs.

ATTACHMENT B

Motion by Supervisor Mark Ridley-Thomas, Mayor Eric Garcetti and Director Jacquelyn Dupont-Walker

Implementation of a Pilot Business Solution Center for the Crenshaw/LAX Line Relates to Item 79

July 24, 2014

Since construction began on the Crenshaw/LAX Line Project (the Project) earlier this year, doing business on the Crenshaw Corridor (the Corridor) has become more challenging for businesses and patrons. Many businesses are already experiencing significant impacts created by construction activities, specifically at the intersections of Crenshaw Boulevard and Martin Luther King Jr. Boulevard and Exposition Boulevard where work is underway to lay the groundwork for future underground stations. Businesses between 48th Street and 60th Street, where the line will run at-grade, are also anticipated to face significant challenges when construction begins on that segment.

Under both Federal and State law, Metro is prevented from providing direct cash subsidies to businesses unless access to the business is denied due to construction impacts. While this has not technically been the case on the Corridor, there is a clear nexus between construction activities and reduced business activity, especially the walk-in traffic that many of the retail businesses rely on.

In April 2014, Metro retained a consultant to assess and provide recommendations on how to address the economic impacts of construction activities on small businesses on the Corridor. The consultant's report encourages the development of a pilot Business Solution Center that would provide direct sector-specific technical assistance to businesses along the Corridor to help them through construction activities. Services that could be provided to businesses include financial planning and advice on small business operations as well as dealing with municipal permits and regulations, legal assistance, marketing and grant/loan application management. The consultant specifically suggests that a pilot effort be established to provide proactive and hands-on business assistance to support the over 100 businesses at the at-grade portion of the

Project between 48th and 60th Streets, as well as a walk-in location along the Corridor for which businesses along the entire rail alignment can receive information, resources and referrals.

The establishment of a Business Solution Center would meaningfully enhance Metro's construction and external relations protocol. While serving as a relatively nominal financial investment for Metro, it would go a long way in helping to build the capacity of small businesses to survive the construction period and ultimately contribute to a vibrant transit corridor upon completion of the Line. If the Metro Board wants to pursue future funding measures to fully build out the system, it will be fundamental that we demonstrate to local small businesses that we are a committed partner during construction periods. This pilot Business Solution Center can serve as a model for such an effort, and to do so, it is essential that Metro partner with a capable and well established service provider to roll-out these services as quickly as possible. Furthermore, it is consistent with Metro's Construction Impact Response Program (CIRP) which was developed in response to construction on the Gold and Red Lines in the 1990s. The CIRP program provided various forms of relief for businesses including economic support and rapid response teams. These resources should also be made available for the Crenshaw Corridor.

The pilot Business Solution Center would also complement Metro's other ongoing efforts to address business' needs during construction. For example, Metro continues to modify construction signage based on the feedback of surrounding business' to highlight the names of businesses, parking locations and to clarify that businesses are open during construction. In addition, Metro is finalizing a communications strategy to promote an "Eat, Shop and Play Local" campaign during construction.

WE THEREFORE MOVE THAT THE BOARD OF DIRECTORS:

1. Receive and file the "Recommendations for a Pilot Metro Business Solution Center";

2. Authorize the CEO to immediately solicit proposals to establish a Pilot Metro Business Services Center along the Crenshaw Corridor that includes a physical presence with consistent staffing hours for the duration of the construction of the Crenshaw/LAX Line, as well as a Business Solutions Outreach Strategy for the at-grade portion of the alignment on Crenshaw between 48th and 60th Streets and other locations that are determined to be significantly impacted by construction activities, and authorize the CEO to execute a contract with the most responsive and qualified bidder, with the objective of beginning operations by October 2014;
3. Direct the CEO to identify up to $250,000 and amend the current budget to fund the initial year activities, with an overall project budget expected to be approximately $1,000,000, to be included in future budgets for fiscal year 2016, 2017 and 2018 at $250,000 per year;
4. Direct the CEO to report back in September on a plan to utilize existing Full-Time Equivalent position(s) to staff the Business Solutions Center.
5. Direct the CEO to incorporate the following elements into the Pilot Business Solution Center Program:
    a. A single point-of-contact or case management approach for each business; and
    b. A 72 hour quick response plan.
6. Direct the CEO to establish an additional mitigation menu and criteria based on MTA's previous Construction Impact Response Program that includes:
    a. Marketing campaigns for impacted businesses;
    b. Rent and mortgage subsidies to businesses;
    c. A low-interest loan fund that is accessible to small and micro-businesses;
    d. Report back to the Board in September with funding recommendations;
7. Direct the CEO to report back on a Post-Construction Façade Improvement Program in conjunction with the approved Design-Build Contract for the Crenshaw/LAX Transit Line;
8. Direct the CEO to report back on the feasibility of establishing Memorandums of Understanding with local business and community stakeholder groups, as has been

done in Denver, Colorado, to ensure that we are maximizing community involvement and engagement as it relates to construction activities;

9. Direct the Diversity and Economic Opportunity Department to manage and oversee the Business Solution Center Project; and
10. Provide quarterly updates to the Executive Management and Construction Committees on the Pilot Business Solution Center and the "Eat, Shop and Play Local" campaign beginning in September 2014.

DEOD SUMMARY

METRO PILOT CRENSHAW/LAX TRANSIT PROJECT BUSINESS SOLUTION CENTER / PS2890900

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 23% goal, inclusive of a 20% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this project. Del Richardson & Associates, Inc. exceeded the goal by making a 65.46% Small Business participation, inclusive of a 62.37% SBE commitment and a 3.09% DVBE commitment.

Small Business Goal	20% SBE 3% DVBE	Small Business Commitment	62.37% SBE 3.09% DVBE

	SBE Prime	% Commitment
1.	Del Richardson & Associates, Inc.	62.37%
	Total Commitment	**62.37%**

	DVBE Subcontractors	% Commitment
1.	It Is, LLC	3.09%
	Total Commitment	**3.09%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.