



Board Report

File #: 2019-0450, **File Type:** Contract

Agenda Number: 40.

**EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 19, 2019**

SUBJECT: METRO DRUG AND ALCOHOL OVERSIGHT PROGRAM

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a five-year, firm fixed unit rate Contract No. PS60199000 to LPM Consulting, Inc. for a Drug and Alcohol Oversight Program, in an amount not-to-exceed \$472,102 for the three-year base term, \$189,877 for the first option year, and \$189,877 for the second option year, for a combined total not-to-exceed amount of \$851,856 inclusive of two, one year options, effective October 1, 2019, subject to resolution of protest(s), if any.

ISSUE

In order to comply with Federal Transit Administration (FTA) regulations 49 CFR Part 40 "Procedures for Transportation Workplace Drug and Alcohol Testing Programs" and 49 CFR Part 655 "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," the services of an independent third-party consultant is necessary to administer Metro's Drug and Alcohol Oversight Program to ensure that subrecipients and contractors performing safety-sensitive functions (covered contractors) are in compliance with the regulations. The continuation of these oversight services is necessary to ensure future FTA funding.

BACKGROUND

FTA regulations 49 CFR Part 655.81 state that "a recipient shall ensure that a subrecipient or contractor who receives 49 U.S.C 5307, 5309, or 5311 funds directly from the recipient complies with this part." Therefore, Metro, as the direct recipient of these FTA funds, is required to ensure that all subrecipients and contractors performing safety-sensitive functions (covered contractors) are compliant with FTA regulations 49 CFR Part 40 Procedures for Transportation Workplace Drug and Alcohol Testing Programs and 49 CFR Part 655 Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations.

DISCUSSION

On an annual basis, Metro, as the direct recipient of FTA funds, must certify to FTA Regional Office that their subrecipients and covered contractors are in compliance with FTA regulations 49 CFR Part 40 and 655.81 requirements.

In addition to the annual certification, Metro must submit to FTA an annual Drug and Alcohol Management Information System Report for each subrecipient and covered contractor. Further, Metro's subrecipients and contractor oversight contracts are subject to FTA's Triennial Review, FTA's Drug & Alcohol Program audit, and other audits that may be required. Failure to achieve subrecipient and covered contractor sufficient oversight, would result in findings and/or suspension of FTA funding.

Currently, Metro's Grants Management and Oversight oversees 28 subrecipients that are subject to these FTA regulations. Also, Metro's Talent Acquisition's Drug and Alcohol Program currently oversees 21 covered contractors that are performing safety-sensitive duties (as defined in 49 CFR Part 655.4). Further, approximately five solicitations are currently in procurement process that involve the performance of safety-sensitive functions. Additional procurements are anticipated to be released in the coming years that will increase the number of covered contractors requiring such oversight.

In order to ensure compliance with FTA Part 40 & 655, a work plan was established that will allow the recommended contractor to focus on eight areas of significant concern with the administration and management of FTA Drug and Alcohol Testing Program for Metro's subrecipients and covered contractors.

1. Random selection of employees by job category,
2. Scheduling of the drug and alcohol testing,
3. Record keeping by the transportation/maintenance provider,
4. Roles and responsibilities of the collection sites,
5. DOT-qualified Substance Abuse Professionals (SAP's)
6. Medical Review Officers (MRO's),
7. Training of covered employees, supervisors and other personnel involved in these processes,
8. Annual reporting to FTA/Volpe through the Drug and Alcohol Management Information System (DAMIS).

DETERMINATION OF SAFETY IMPACT

Award of this contract will ensure that Metro meets FTA regulations and requirements related to safety of our employees and patrons.

FINANCIAL IMPACT

The funding of \$71,000 for this service is included in the FY20 budget in cost center 4440 (Grants Management and Oversight) under project 500002, Regional Grantee - FTA, and funding of \$100,000 is included in cost center 6240 (Talent Acquisition), under project 100001, General Overhead.

Since this is a multi-year, multi-department contract, the cost center managers and Chief Human Capital & Development Officer and Chief Planning Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Budget

The source of funds for project 500002 is local funds eligible for the administration of FTA subrecipient oversight, while project 100001 is comprised of state and local funds that are eligible for operations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports Metro's Strategic Plan Goal 5 to provide responsive, accountable and trustworthy governance within the Metro Organization and will foster and maintain a strong safety culture. The award of this contract will ensure that all subrecipients and covered contractors performing safety-sensitive functions for Metro are compliant with federal regulations 49 CFR Part 40 Procedures for Transportation Workplace Drug and Alcohol Testing Programs and 49 CFR Part 655 Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations.

ALTERNATIVES CONSIDERED

Two alternatives were considered:

1. Utilize in-house Metro resources to perform this work. This alternative is not recommended as Metro does not have sufficient resources or subject matter experts available to perform the work. Most transit agencies contract this function out.
2. The Board may choose not to approve the recommendation. This alternative is not recommended as the award of this Contract is critical to the ongoing compliance with FTA regulations 49 CFR Parts 40 & 655.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS60199000 with LPM Consulting, Inc., effective October 1, 2019, to support Metro's Drug and Alcohol Oversight Program services.

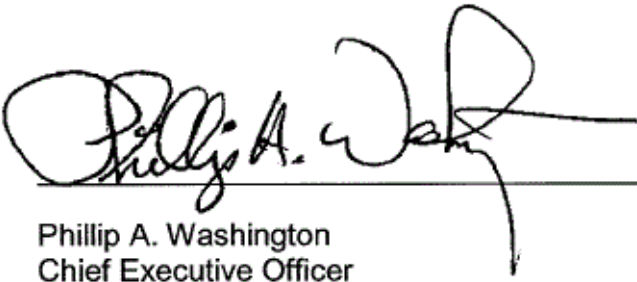
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Patrice McElroy, Executive Officer, Talent Management
(213) 418-3171
Anne Flores, Sr. Manager, Transportation Planning
(213) 922-4894

Reviewed by: Joanne Peterson, Chief Human Capital & Development Officer,
(213) 418-3088
Debra Avila, Chief Vendor/Contract Management
(213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

METRO DRUG AND ALCOHOL OVERSIGHT PROGRAM/PS60199000

1.	Contract Number: PS60199000	
2.	Recommended Vendor: LPM CONSULTING, INC.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: March 28, 2019	
	B. Advertised/Publicized: March 28, 2019	
	C. Pre-Proposal Conference: N/A	
	D. Proposals Due: May 1, 2019	
	E. Pre-Qualification Completed: June 18, 2019	
	F. Conflict of Interest Form Submitted to Ethics: July 29, 2019	
	G. Protest Period End Date: September 23, 2019	
5.	Solicitations Picked up/Downloaded: 8	Bids/Proposals Received: 2
6.	Contract Administrator: Marc Margoni	Telephone Number: (213) 922-1304
7.	Project Manager: Marylynn Ahumada	Telephone Number: (213) 922-7172

A. Procurement Background

This Board Action is to approve the award of Contract No. PS60199000 to LPM Consulting, Inc. to support Metro's Drug and Alcohol Oversight Program. Board approval of contract awards are subject to the resolution of any properly submitted protest.

On March 28, 2019 Request for Proposal (RFP) No. PS60199 was issued as a competitively negotiated procurement in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate.

No amendments were issued during the solicitation phase of the RFP.

A total of eight firms downloaded the RFP and were included on the plan-holders list. Two proposals were received on May 1, 2019, and are listed below in alphabetical order:

- Compliance Oversight Solutions Ideal, LLC
- LPM Consulting Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Grants Management & Oversight and Talent Acquisition departments was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were initially evaluated based on pass/fail minimum qualifications criteria to determine proposals that are “technically acceptable”. The pass/fail criteria included experience in the design, implementation, administration and audit of US Department of Transportation (DOT)/Federal Transit Administration (FTA) regulated drug and alcohol testing programs.

Of the two proposals received, only LPM passed the minimum qualifications requirements and was further evaluated based on the following weighted evaluation criteria:

- Degree of Technical Expertise and Experience of the Consultant/Team 45 percent
- Level of Relevant Experience of the Consultant/Team 35 percent
- Cost 20 Percent

Several factors were considered in developing these weights, giving the greatest importance to the degree of technical expertise and experience of the consultant/team.

On May 20, 2019, the PET met and conducted an independent technical evaluation of the proposals received and determined that LPM Consulting Inc. met the minimum qualifications as outlined in the RFP.

Qualifications Summary of Firm:

LPM Consulting Inc. (LPM):

LPM is located in Northridge, CA. It is an independent training and consulting firm specializing in developing and maintaining drug and alcohol-free programs. Over the past 19 years, more than 95% of LPM's consulting assignments are with transportation agencies. Its clients include the FTA, Transportation Safety Institute, Access Services, Imperial County Transportation Commission, Montebello Bus Lines and Long Beach Transit.

The proposed Project Manager has over 20 years of experience in the field of substance abuse program development, management, training, auditing and regulatory compliance. She has in-depth knowledge of the DOT and FTA drug and alcohol testing rules and has hands on experience in managing public transportation workplace drug and alcohol testing programs.

The following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	LPM Consulting Inc				
3	Degree of Technical Expertise and Experience of the Consultant/Team	100	45.00%	45	
4	Level of Relevant Experience of the Consultant/Team	100	35.00%	35	
5	Cost	100	20.00%	20	
6	Total		100.00%	100	1

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate price competition, price analysis, technical analysis, fact finding, and historical cost. The recommended price is lower than Metro's independent cost estimate (ICE).

	Proposer Name	Proposal Amount	Metro ICE	Negotiated or NTE amount
1.	LPM Consulting Inc.	\$851,855.91	\$885,072.84	\$851,855.91

D. Background on Recommended Contractor

LPM Consulting Inc. is a privately held, woman-owned business established in 2007. LPM has had prior contracts with Metro and is currently the incumbent on Metro's Transportation Workplace Drug and Alcohol Testing Program and has performed satisfactorily.

DEOD SUMMARY

METRO DRUG AND ALCOHOL OVERSIGHT PROGRAM/PS60199000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for the procurement of these services. DEOD determined that there was a lack of available DBE certified firms to provide Drug and Alcohol Oversight Program services and was confirmed through a market survey conducted by the Project Manager. It is expected that LPM Consulting, Inc. will perform the scope of work with its own workforce.

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. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.