



Board Report

File #: 2021-0325, **File Type:** Contract

Agenda Number: 31.

REVISED
CONSTRUCTION COMMITTEE
JUNE 17, 2021

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

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 4 to Contract No. PS2890900 with Del Richardson & Associates, Inc. (DRA) for the continuation of professional services to support the ongoing implementation of the Metro Pilot Crenshaw/LAX Transit Project Business Solution Center (BSC) for twelve months, inclusive of two, 3-month option periods, in an amount not to exceed \$219,070 (\$110,723 for the base six (6) months; \$56,835 for Option Period 1, and \$51,512 for Option Period 2), increasing the total contract value from \$1,531,125 to \$1,750,195; and
- B. INCREASE the Contract Modification Authority (CMA) specific to Contract No. PS2890900 in the amount of \$100,000 increasing the total CMA amount from \$100,000 to \$ 200,000 for additional support services related to BSC implementation.

ISSUE

On July 24, 2014, Metro’s Board of Directors issued Motion 79 that authorized the CEO to establish a Metro Pilot Business Solution Center (BSC) to provide hands-on case management services and business assistance to small businesses along the Crenshaw Corridor. Metro has continued to provide direct, immediate, hands-on technical assistance to small and micro businesses along the Crenshaw/LAX corridor through the contracted professional services of Del Richardson & Associates, Inc.

The authorization of Modification No. 4 to Contract No. PS2890900 supports the ongoing implementation of the BSC as approved by Metro’s Board of Directors, ensuring that small businesses are supported through construction of the Crenshaw/LAX Transit Project.

DISCUSSION

The Pilot BSC program has been operational for over six years since the Board of Directors authorized the establishment of the program. As a result of Metro staff and the contracted program administrator's efforts, more than 400 businesses within the Crenshaw and Inglewood communities have been contacted and more than 300 small businesses have been served by the BSC. Recognizing that Metro's BSC provides critical support through immediate, hands-on business development, technical assistance and referrals to partnering business resource providers to small businesses along the corridor during the term of construction of the Crenshaw/LAX Transit Project, ongoing operations are necessary.

Following is a summary of the BSC support services outcomes as of Q1 2021:

Total number of businesses contacted:	479
Number of businesses completing intake/ assessment:	363
Number of referrals to resource providers and/or services:	1145

Metro and the BSC program administrator will continue to collaborate and identify focused support services and program activities for small businesses engaged in the BSC; and Metro staff will continue to provide proactive oversight and assessment of the pilot program and the Contractor during the final term of the center's operations.

DETERMINATION OF SAFETY IMPACT

Approval of this recommendation will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The administrative cost for the implementation of the program is allocated from Measure R Administration funds. Funds for FY21 are currently budgeted in Cost Center 0691 Non-Departmental Procurement Project Number 100055, Project Name - Admin-Measure R Task 06.02. Furthermore, Vendor/Contract Management has requested the necessary funds in the submitted FY22 budget request, which is currently under review, in support of program activities within the aforementioned cost center, project and task.

Impact to Budget

Measure R Administration funds were previously identified as eligible for this expense through prior Board of Directors authorization and approval. The annual appropriation of the funding source does

not impact transit operations and/or capital projects/programs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The implementation of the Crenshaw/LAX Pilot Business Solution Center aligns to strategic goal 3 - enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

1. Not executing Modification No. 4 to Contract No. PS2890900. Staff is not recommending this alternative because it will affect Metro's ability to continue to provide the identified services to small and micro businesses along the Crenshaw Corridor during the remaining 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 or dedicated resources to operate the Pilot BSC.

NEXT STEPS

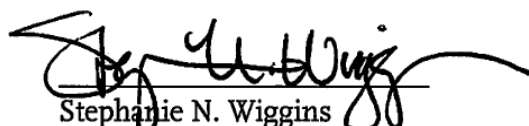
Upon Board approval, staff will execute Modification No. 4 to Contract No. PS2890900 with Del Richardson and Associates, Inc. to continue supporting the ongoing implementation of the Metro Pilot Crenshaw/LAX Transit Project BSC.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

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

1.	Contract Number: PS2890900		
2.	Contractor: Del Richardson & Associates, Inc.		
3.	Mod. Work Description: Professional services to continue support for the ongoing implementation of the Metro Pilot Crenshaw/LAX Transit Project Business Solution Center (BSC)		
4.	Contract Work Description: Professional services to support the ongoing implementation of the Metro Pilot Crenshaw/LAX Transit Project BSC		
5.	The following data is current as of: 5/3/21		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	10/27/2016	Contract Award Amount: \$849,008
	Notice to Proceed (NTP):	11/03/2016	Total of Modifications Approved: \$682,117
	Original Complete Date:	11/02/2018	Pending Modifications (including this action): \$219,070
	Current Est. Complete Date:	07/03/2022	Current Contract Value (with this action): \$1,750,195
7.	Contract Administrator: Lily Lopez		Telephone Number: (213) 922-4639
8.	Project Manager: Kyle Wagner		Telephone Number: (213) 418-3336

A. Procurement Background

This Board Action is to approve Contract Modification No. 4 issued for the continuation of professional services to support the ongoing implementation of the Metro Pilot Crenshaw/LAX Transit Project Business Solution Center (BSC) for up to an additional twelve (12) months with focus on supporting businesses for transition and/or referral to existing service providers for ongoing business assistance and development.

This Contract Modification was processed in accordance with Metro's Acquisition Policy and the contract type is firm fixed price.

On October 27, 2016, the Board awarded a two-year, firm fixed price Contract No. PS2890900 to Del Richardson & Associates, Inc. to operate the Metro Pilot Crenshaw/LAX Transit Project BSC.

Three modifications have been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log for modifications issued to date.

B. Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), technical analysis, a price analysis, fact finding, and negotiations.

Proposal Amount	Metro ICE	Negotiated Amount
\$557,597	\$99,290	\$219,070

The ICE was based on an estimate from the current level of effort and projected levels to be performed during the remaining term of the Pilot BSC. However, the ICE underestimated the anticipated level of effort required, increased market rates and did not account for the two, three-month option periods.

CONTRACT MODIFICATION/CHANGE ORDER LOG
METRO PILOT CRENSHAW/LAX TRANSIT PROJECT
BUSINESS SOLUTION CENTER/ PS2890900

Mod. No.	Description	Status	Date	\$ Amount
1	Continuation of services and extension of period of performance (POP) through May 6, 2019.	Approved	10/31/2018	\$100,000
2	Addition of DVBE subcontractor and extension of POP through July 2, 2019.	Approved	04/18/2019	\$0
3	Ongoing implementation of the BSC and extension of POP through July 3, 2021.	Approved	06/27/2019	\$582,117
4	Ongoing implementation of the BSC and extension of POP through July 3, 2022 (12-month inclusive of 2 three-month options).	Pending	Pending	\$219,070
	Modification Total:			\$901,187
	Original Contract:		11/03/2016	\$849,008
	Total:			\$1,750,195

DEOD SUMMARY

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

A. Small Business Participation

Del Richardson & Associates, Inc., a Small Business Prime, made a 62.37% Small Business Enterprise (SBE) and a 3.09% Disabled Veteran Business Enterprise (DVBE) commitment for this contract. Based on payments reported, the contract is 71.70% complete and the current SBE participation is 63.61% and the current DVBE participation is 4.04%. Del Richardson & Associates, Inc. is exceeding both the SBE commitment and the DVBE commitment by 1.24% and 0.95%, respectively.

Del Richardson & Associates, Inc. also reported that subcontractor engagement was halted due to the COVID-19 pandemic, but work was scheduled to resume in June 2021. As such, the Prime stated that it will continue to either meet or exceed its commitments by the end of contract term.

Small Business Commitment	SBE 62.37% DVBE 3.09%	Small Business Participation	SBE 63.61% DVBE 4.04%
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	SBE Subcontractor	Committed %	Current Participation¹
1.	Del Richardson & Associates (SBE Prime)	62.37%	63.61%
	Total SBE Participation	62.37%	63.61%

	DVBE Subcontractors	Committed %	Current Participation¹
1.	Intelligent Technology Integration Solutions, LLC (It Is, LLC)	3.09%	2.72%
2.	Servexo	Added	1.32%
	Total DVBE Participation	3.09%	4.04%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

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.