

**Board Report**

File #: 2022-0147, **File Type:** Contract**Agenda Number:** 30.

**CONSTRUCTION COMMITTEE
APRIL 21, 2022****SUBJECT: FUND ADMINISTRATOR FOR METRO PILOT BUSINESS INTERRUPTION FUND
(BIF)****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 6 to the Business Interruption Fund (BIF) Administration Services Contract No. PS56079000 with Pacific Coast Regional Small Business Development Corporation (PCR) to exercise the second, one-year option in the amount of \$650,306, increasing the total contract value from \$2,754,855 to \$3,405,161, to continue to serve as the fund administrator for Metro's Pilot BIF and extending the period of performance from May 1, 2022 to April 30, 2023.

ISSUE

On February 28, 2019, Metro Board of Directors approved the award of Metro's BIF Administration Services Contract program in the amount of \$3,348,010, inclusive of a two-year base term, plus two (2), one-year options.

Board authorization is requested to exercise the second, one-year option to continue support of the ongoing implementation of the BIF as approved by Metro's Board of Directors.

BACKGROUND

Metro's Board of Directors authorized the Pilot Business Interruption Fund (Program) in October 2014 to provide financial assistance to small "mom and pop" businesses directly impacted by Metro's transit rail construction located along the alignment of the Crenshaw/LAX Transit Project, the Little Tokyo area of the Regional Connector, and Section 1 of the Purple Line Extension. In December 2015 Metro's Board of Directors authorized the expansion of the BIF to include "mom and pop" businesses directly impacted by unprecedented full street closures with duration greater than six continuous months, such as the 2nd/Broadway segment of the Regional Connector. In December 2016 Metro's Board of Directors authorized the expansion of the BIF to include eligible businesses along Section 2 of the Purple Line Extension and in February 2019 Metro's Board of Director's authorized the expansion of the BIF to include eligible businesses along Section 3 of the Purple Line

Extension.

Businesses eligible for assistance are those located immediately adjacent to the transit rail corridors (above) that can demonstrate a loss of revenue directly related to the period of Metro construction disruption as compared to the same time in the previous year. Businesses must also have 25 or fewer full-time employees and be in continuous operation for at least two years along their respective transit rail corridor.

DISCUSSION

Metro has continued to provide financial assistance to directly impacted eligible businesses through the contracted professional services of PCR, a Community Development Financial Institution (CDFI) and Small Business Development Center (SBDC) serving as the BIF fund administrator.

The second one-year option period of the professional services for the Business Interruption Fund allows PCR to continue to serve as administrator for Metro's Pilot BIF. The Business Interruption Fund has provided financial assistance to over 430 small businesses and has awarded over \$33.7 million dollars in BIF grant awards. Continuation of services will allow the BIF to provide ongoing financial assistance to the small "mom and pop" businesses impacted by the construction of the Purple Line Extension Sections 1, 2 and 3, and the Little Tokyo Area of the Regional Connector and for the close-out of construction along the Crenshaw/LAX Transit Project.

Staff, along with PCR, continues to implement various outreach activities and methods to inform and educate small businesses about the BIF, provide direct support throughout the application process and link businesses to other small business support services such as Metro's Crenshaw/LAX Transit Business Solution Center (BSC), Metro's Little Tokyo Community Relation Office and/or the Little Tokyo Small Business Solution Center co-located at Metro's Community Relations office including PCR's Small Business Development Corporation; and Metro's Eat-Shop-Play program.

DETERMINATION OF SAFETY IMPACT

The approval of the recommendations above will have no negative impact on the safety of Metro employees or passengers.

FINANCIAL IMPACT

The administrative cost for the implementation of the program is allocated from Measure R Administration funds. Funds for FY22 are currently budgeted in Cost Center 0691 Non-Departmental Procurement Project Number 100055, Project Name - Admin-Measure R Task 06.02. Furthermore, Office of Civil Rights, Racial Equity & Inclusion has requested the necessary funds in the submitted FY23 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.

EQUITY PLATFORM

This action will ensure Metro staff have the funding and tools required to continue the implementation of Metro's Pilot Business Interruption Fund and provide financial assistance to the small "mom and pop" businesses impacted by the construction of the Purple Line Extension Sections 1, 2 and 3, and the Little Tokyo Area of the Regional Connector and for the close-out of construction along the Crenshaw/LAX Transit Project. These construction areas traverse through Equity Focused Communities (EFCs) in South Los Angeles, Little Tokyo, and parts of the Westside of the City of LA.

This action will ensure that PCR staff will have the funding needed to exercise necessary outreach to the small business community via door-to-door outreach, community presentations and through collaborative referrals from Metro's Business Solution Center, Metro's Eat, Shop, Play program and Metro's Construction Relations department. Furthermore, PCR's outreach will continue to be inclusive of small "mom and pop" business owners from diverse backgrounds, as exemplified by BIF marketing materials provided in multiple languages. As of Quarter 4 of 2021, 69% of BIF Grants were disbursed to small "mom and pop" business owners from minority backgrounds.

The Diversity and Economic Opportunity Department (DEOD) did not recommend an SBE/DVBE goal for this procurement due to lack of subcontracting opportunities. Pacific Coast Regional is a minority owned business and is expected to perform the work with its own workforce.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item aligns to Metro strategic goal 3 - enhance communities and lives through mobility and access to opportunity, and goal 5 - provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

Staff considered utilizing Metro staff to perform the fund administration services for BIF. This alternative is not recommended, because Metro does not have the required staffing availability, dedicated resources or expertise to serve as a financial administrator such as those possessed by a community development financial institution.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 6 to exercise the second option year of the BIF Administration Services Contract No. PS56079000 with PCR.

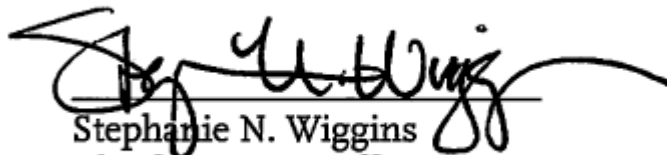
ATTACHMENT

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

BUSINESS INTERRUPTION FUND ADMINISTRATION SERVICES/PS56079000

1.	Contract Number: PS56079000		
2.	Contractor: Pacific Coast Regional Small Business Development Corporation (PCR)		
3.	Mod. Work Description: Exercise Second, One-Year Option Term		
4.	Contract Work Description: Business Interruption Fund Administration Services		
5.	The following data is current as of: 3/7/22		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	2/28/19	Contract Award Amount: \$1,585,246
	Notice to Proceed (NTP):	3/12/19	Total of Modifications Approved: \$1,169,609
	Original Complete Date:	3/11/21	Pending Modifications (including this action): \$650,306
	Current Est. Complete Date:	4/30/23	Current Contract Value (with this action): \$3,405,161
7.	Contract Administrator: Lily Lopez		Telephone Number: (213) 922-4639
8.	Project Manager: Sidney Urmancheev		Telephone Number: (213) 922-5574

A. Procurement Background

This Board Action is to approve Contract Modification No. 6 issued to exercise the second, one-year option term of the Metro Business Interruption Fund (BIF) Administration Services Contract No. PS56079000 to PCR.

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

On February 28, 2019, the Board awarded firm fixed price Contract No. PS56079000 to PCR for a two-year base period in the amount of \$1,585,246 with two, one-year options, with an optional start-up for the inclusion of future new rail lines in this pilot.

Five contract modifications have been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Cost Analysis

The recommended price has been determined to be fair and reasonable based on pricing that was evaluated as part of the competitive contract award in 2019. Pricing remains unchanged.

Proposal Amount	Metro ICE	Modification Amount
\$918,730	\$653,850	\$650,306

CONTRACT MODIFICATION/CHANGE ORDER LOG

BUSINESS INTERRUPTION FUND ADMINISTRATION SERVICES/PS56079000

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Reallocated unused funds from year 1 to year 2.	Approved	10/5/20	\$0
2	Additional level of effort required and extension of period of performance (POP) through 4/30/21.	Approved	3/4/21	\$100,000
3	Exercise One-Year Option extending POP through 4/30/22.	Approved	4/22/21	\$720,882
4	Continuation of the Work (inclusive of Operational Start Up #1)	Approved	7/23/21	\$195,788
5	Additional level of effort to continue services as construction on Crenshaw/LAX Transit Project ongoing	Approved	12/20/21	\$152,939
6	Exercise One-Year Option extending POP through 4/30/23.	Pending	Pending	\$650,306
	Modification Total:			\$1,819,915
	Original Contract:	Approved	2/28/19	\$1,585,246
	Total:			\$3,405,161

DEOD SUMMARY

**FUND ADMINISTRATOR FOR METRO PILOT BUSINESS INTERRUPTION FUND
(BIF)/PS56079000**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend an SBE/DVBE goal for this procurement due to lack of subcontracting opportunities. Pacific Coast Regional did not make an SBE/DVBE commitment and is expected to perform the work with its own workforce.

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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.