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*One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room*

**Agenda - Final**

**Thursday, November 21, 2024**

**11:00 AM**

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**Executive Management Committee**

*Janice Hahn, Chair*

*Fernando Dutra, Vice Chair*

*Kathryn Barger*

*Karen Bass*

*Hilda Solis*

*Gloria Roberts, non-voting member*

*Stephanie Wiggins, Chief Executive Officer*

## **METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES**

### **(ALSO APPLIES TO BOARD COMMITTEES)**

#### **PUBLIC INPUT**

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the general public comment period, which will be held at the beginning and /or end of each meeting. Each person will be allowed to speak for one (1) minute during this General Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

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- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

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The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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The Meeting begins at 11:00 AM Pacific Time on November 21, 2024; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-978-8818 and enter  
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***Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.***

**Instrucciones para comentarios publicos en vivo:**

Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 11:00 AM, hora del Pacifico, el 21 de Noviembre de 2024. Puedes unirte a la llamada 5 minutos antes del comienso de la junta.

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**Written Public Comment Instruction:**

Written public comments must be received by 5PM the day before the meeting.  
Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

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Board Administration

One Gateway Plaza

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Los Angeles, CA 90012

**CALL TO ORDER****ROLL CALL****14. SUBJECT: COMMUNICATIONS SUPPORT SERVICES BENCH**[2024-0951](#)**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to Communications Support Services Bench Contract Nos. PS85397000 through PS85397015 to:

- A. INCREASE the cumulative contract value of the Bench contracts in an amount not-to-exceed \$18,000,000, increasing the cumulative contract value from \$32,000,000 to \$50,000,000; and
- B. EXECUTE task orders for a Not-to-Exceed (NTE) total authorized amount of \$5,000,000.

**Attachments:**      [Attachment A - Procurement Summary](#)  
                                 [Attachment B - Contract Modification/Change Order Log](#)  
                                 [Attachment C - DEOD Summary](#)

**15. SUBJECT: RECRUITMENT STRATEGIC ASPIRATION SERVICES**[2024-1059](#)**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. EXECUTE Modification No. 1 to Contract No. PS108564000 with McKinsey & Company, Inc. (McKinsey) to provide consultant support services for hiring process improvements, continued job classification analysis, and execution of strategies to reduce vacancy rates and retain talent, in an amount Not-to-Exceed (NTE) \$3,477,500, increasing the contract value from \$497,500 to \$3,975,000 and extend the period of performance from June 30, 2025 to December 31, 2025 and;
- B. AMEND the FY25 budget in the amount of \$3,477,500 to fund the contract modification.

**Attachments:**      [Attachment A - Metro Preliminary Talent Diagnostics](#)  
                                 [Attachment B - Procurement Summary](#)  
                                 [Attachment C - Contract Modification/Change Order Log](#)  
                                 [Attachment D - DEOD Summary](#)  
                                 [Presentation](#)

16. **SUBJECT: QUARTERLY UPDATE ON TRANSIT COMMUNITY PUBLIC SAFETY DEPARTMENT (TCPSPD) IMPLEMENTATION PLAN** [2024-0765](#)

**RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Quarterly Update on the Transit Community Public Safety Department (TCPSPD) Implementation Plan; and
- B. AUTHORIZING the Chief Executive Officer (CEO), or their designee, to incorporate new job classifications into appropriate existing collective bargaining units, as determined by the CEO.

**Attachments:** [Attachment A - Listening Sessions](#)

(ALSO ON OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE)

17. **SUBJECT: COMMUNITY ADVISORY COUNCIL (CAC) UPDATE** [2024-0925](#)

**RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Community Advisory Council update; and
- B. APPROVING CAC's revisions to their Bylaws (Attachment A).

**Attachments:** [Attachment A - Proposed CAC Bylaws Changes](#)  
[Attachment B - CAC's April through October Recap Presentation](#)

18. **SUBJECT: ADVERTISING POLICY REVISIONS** [2024-0513](#)

**RECOMMENDATION**

CONSIDER:

- A. ADOPTING the amended System Advertising Policy (Attachment A); and
- B. ADOPTING the amended Commercial Sponsorship and Adoption Policy (Attachment B).

**Attachments:** [Attachment A - System Advertising Policy 2025](#)  
[Attachment B - Commercial Sponsorship and Adoption Policy 2025](#)  
[Attachment C - Policy Change Comparison Presentation](#)

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**SUBJECT: GENERAL PUBLIC COMMENT**[2024-1053](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S  
SUBJECT MATTER JURISDICTION

**Adjournment**



## Board Report

File #: 2024-0951, File Type: Contract

Agenda Number: 14.

### EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 21, 2024

**SUBJECT: COMMUNICATIONS SUPPORT SERVICES BENCH**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to Communications Support Services Bench Contract Nos. PS85397000 through PS85397015 to:

- A. INCREASE the cumulative contract value of the Bench contracts in an amount not-to-exceed \$18,000,000, increasing the cumulative contract value from \$32,000,000 to \$50,000,000; and
- B. EXECUTE task orders for a Not-to-Exceed (NTE) total authorized amount of \$5,000,000.

#### **ISSUE**

In September 2022, the Board approved the establishment of the Communications Support Services Bench (Bench) for an amount not to exceed \$32,000,000 for a four-year term with 16 Small Business Enterprise (SBE) prime contractors. The Bench provides Metro's Customer Experience Department with supplementary communications services supporting Metro's projects, programs, and initiatives, such as community engagement programs, public information campaigns, and various public outreach activities.

The Bench has successfully provided professional communications support services to multiple and diverse Metro projects, programs, and initiatives. To date, a total of 28 task orders have been issued to the Bench, for a total cumulative value of \$28,009,178, leaving only \$3,990,822 in available contract authority.

#### **BACKGROUND**

With the passage of Measure M in November 2016, Metro's work effort has expanded significantly. To optimize the Agency's existing communications workforce and to ensure adherence to Metro's Vision 2028 Strategic Plan, Public Participation Plan, Equity Platform, Community Based Organizations Partnering Strategy, and Customer Experience Plan, additional contracted services is necessary. The Bench ensures that strategic and equitable communications support services are available to supplement Metro's staff resources.



The Bench contracts have been in place for two years and consist of 16 full-service, multi-disciplinary teams that serve on an on-call, task order-award basis under six disciplines:

1. Strategic Communications
2. Interpretation/Translation
3. Special Events and/or Digital Production
4. Professional Facilitation
5. Mailing Services
6. Professional Technical Writing

To date, the contracts have proven to be successful in their utilization. Contract Nos. PS85397000 through PS85397015 have been executed with the following firms:

1. Arellano Associates
2. Communications Lab
3. Community Connections
4. Costin Public Outreach Group
5. Dakota Communications
6. Del Sol Group
7. Lazar Translating & Interpreting
8. Lee Andrews Group
9. MBI Media
10. Murakawa Communications
11. Natively Fluent
12. North Star Alliances
13. Pacific Graphics Inc.
14. Redwood Resources
15. The Robert Group
16. VMA Communications

Of the 16 firms, two have not been awarded a Task Order. One firm has not yet submitted a proposal during requests for Task Order solicitations. The other firm has submitted proposals for two solicitations but was not awarded task orders. Nevertheless, the firm has received debriefs about the quality of their proposals to help shape future submissions.

## **DISCUSSION**

The unexpected increase in Bench utilization was attributed to task orders issued in support of Metro's programs, projects and initiatives, specifically Task Order No. 1 with Lee Andrews Group for K-Line Street Teams and the pilot Community Intervention Specialists.

To continue to meet the delivery of both current and approved projects in planning and construction, programs and initiatives through FY26, additional contract authority is being requested for the balance of the four-year authorized contract term.

Currently, Metro has numerous processes that require ongoing communications support services to

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ensure strong public participation and education about Metro's projects and programs. Additionally, increased funding authority is requested to provide communications and community engagement support for major efforts in preparation for the 2026 FIFA World Cup and other new projects or initiatives. Further, there are high-profile community engagement programs currently being contracted through Bench Task Orders that may require future modification. These include:

- Public Safety Advisory Committee Management & Administration Services
- Long Beach to East Los Angeles Corridor Mobility Investment Plan Engagement Services
- Bus Speed and Reliability Public Outreach Program
- Gateway Region Community Based Organizations Partnership Administration Services
- LIFE Outreach Street Teams
- I-405/Wilmington Project Community Engagement Program
- Vermont Transit Corridor Project Community Engagement Program
- Rail to River Segment B Outreach Program
- As-Needed Support services for various Special Events
- C-Line Extension to Torrance Community Engagement Program
- Mobility Wallet Phase 2 Outreach Program
- Joint Development Program Outreach
- Community Advisory Council Management & Administration Services
- Countywide Bus Rapid Transit Community Engagement Program
- As-Needed interpretation and translation services
- As-Needed mailing services

### **DETERMINATION OF SAFETY IMPACT**

Contractors may be required to conduct tasks on Metro property that may pose a safety impact. As appropriate, contractors will be required to meet established safety requirements to include requisite training and clearance as established by Metro Safety, Construction, Operations and Human Resources procedures.

### **FINANCIAL IMPACT**

Funding for the On-Call Communications Support Services Bench contract awards will be provided by projects utilizing the bench.

#### **Impact to Budget**

The funding for these task orders depends on the specific project being charged and could consist of federal, state, or local resources that are eligible for bus and/or rail operating expenses.

### **EQUITY PLATFORM**

The On-Call Communications Bench contract task order awards advance Metro's commitment to equity and inclusion by ensuring communications activities provide targeted approaches to engage all stakeholders, with a specific focus on marginalized, vulnerable, and/or Equity Focus Communities

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across the various disciplines noted in the Background section. Enhanced community engagement opportunities for marginalized or vulnerable groups improve equitable outcomes by elevating voices that might not otherwise be heard or included in decision-making on Metro's projects, programs, or initiatives.

There are several ongoing task orders that specifically request support services not only for community engagement but also for partnerships with various community-based organizations that serve Equity Focused Communities and other marginalized and vulnerable groups throughout Los Angeles County.

Future communications and public outreach activities, as Metro plans for the major world events soon coming to Los Angeles, will require firms to be innovative in reaching marginalized and vulnerable populations in accordance with Metro's Equity Platform and CBO Partnering Strategy.

The Bench contract has allowed the largest procurement route for Metro to partner with community-based organizations throughout Los Angeles. More than 75 CBOs have been contracted to deliver strategic and grassroots communications services on major projects, including the Vermont Transit Corridor, Eastside Transit Corridor Phase 2, Long Beach to East Los Angeles Corridor Mobility Investment Plan, I-405 Sepulveda ExpressLanes, Mobility Wallet Pilot Program, Rail to River - Segment B, K Line Street Teams and Community Intervention Specialists. When appropriate, Bench task order solicitations include a CBO Partnership Program, as part of the scope of work, to ensure that CBOs are contracted to deliver continued targeted engagement with marginalized and vulnerable populations.

Further, the Communications Support Services Bench contracts provide business opportunities for 16 firms that are all certified as Small Businesses Enterprises. Additionally, 12 firms (75%) are minority-owned businesses, and 13 firms (81%) are women-owned businesses. Notably, of the 16 firms, eight (or 50%) are firms that are new to Metro as prime Contractors.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended actions support the following goals:

- Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.
- Goal 2: Deliver outstanding trip experiences for all users of the transportation system.
- Goal 3: Enhance communities and lives through mobility and access to opportunity.
- Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization

The Communications Support Services Bench allows the agency to engage stakeholders in an authentic, meaningful, and responsive manner on all the agency's project, programs, and initiatives.

## **ALTERNATIVES CONSIDERED**

1. Pursue procurement processes and solicit proposals for each task when the requirement arises. This alternative is not recommended as it would burden the small business community,

requiring them to expend significant and costly resources to respond to multiple procurement processes each year. It would also require extensive staff time to develop scopes of work, internal estimates and proceed with competitive procurements for task orders. This would also delay the provision of services and prevent the opportunity to expedite services when needed. Additionally, procuring services per assignment would impose a significant additional burden on the Customer Experience (CX) and Vendor/Contract Management departments.

2. Utilize existing CX staff to provide the required support services. This alternative poses challenges as Metro's current CX staff is fully at capacity supporting communications campaigns for existing projects, programs and initiatives. Due to these commitments, it is challenging for current staff to provide additional support for future projects, programs, and initiatives. If this alternative were exercised, Metro would need to hire further staffing resources with expertise in several disciplines to perform the desired work. Based on staffing trends and FY24/25 FTE allocations, the agency is unlikely to support this effort in-house.
3. Direct departments to procure services for their own needs. This option burdens the small business community, requiring them to expend significant and costly resources to respond to multiple procurement processes each year. It also is counter to Metro's External Communications Policy, which is designed to consolidate, optimize and strategically coordinate communications services across the agency.

## **NEXT STEPS**

Upon Board approval, staff will execute Modification No. 2 to the Communications Support Services Bench Contract Nos. PS85397000 to PS85397015 and continue to award individual task orders for communications support services.

## **ATTACHMENTS**

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

Prepared by: Lilian De Loza-Gutierrez, Executive Officer, Communications,  
(213) 922-7479  
Yvette Rapose, Deputy Chief Customer Experience Officer,  
(213) 418-3154  
Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer (Interim),  
(213) 922-4471

Reviewed by: Jennifer Vides, Chief Customer Experience Officer, (213) 922-4060



Stephanie N. Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

**COMMUNICATIONS SUPPORT SERVICES BENCH  
PS85397000 THROUGH PS85397015**

<b>1.</b>	<b>Contracts Number:</b> PS85397000 through PS85397015		
<b>2.</b>	<b>Contractors:</b> Arellano Associates, Communications Lab, Community Connections, Costin Public Outreach Group, Dakota Communications, Del Sol Group, Lazar Translating & Interpreting, Lee Andrews Group, MBI Media, Murakawa Communications, Natively Fluent, North Star Alliances, Pacific Graphics Inc., Redwood Resources, The Robert Group, and VMA Communications		
<b>3.</b>	<b>Mod. Work Description :</b> Increase the Not-to-Exceed (NTE) cumulative bench contract value		
<b>4.</b>	<b>Contract Work Description</b> Provide as needed communications support services		
<b>5.</b>	<b>The Following Data is Current as of :</b> 10/11/2024		
<b>6.</b>	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Bench Contracts Awarded:</b>	9/22/22	<b>Bench Contracts Award Amount:</b> \$32,000,000
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b> \$0
	<b>Original Complete Date:</b>	9/30/26	<b>Pending Modifications (including this action):</b> \$18,000,000
	<b>Current Est. Complete Date:</b>	9/30/26	<b>Current Bench Contract Value (with this action):</b> \$50,000,000
<b>7.</b>	<b>Contract Administrator:</b> Antwaun Boykin		<b>Telephone Number:</b> (213) 922-1056
<b>8.</b>	<b>Project Manager:</b> Lilian De Loza-Gutierrez		<b>Telephone Numbers:</b> (213) 922-7479

**A. Procurement Background**

This Board Action is to approve Modification No. 2 to the Communications Support Services Bench Contract Nos. PS85397000 through PS85397015 to increase the NTE cumulative bench contract value and continue to provide supplementary communications services on an on-call basis.

Contract Modifications will be processed in accordance with Metro's Acquisition Policy and the contract type is task order based, firm fixed unit rate.

In September 2022, the Board approved the award of 16 Contract Nos. PS85397000 through PS85397015 to provide communications support services for a four-year term.

One modification has been issued to date.

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

**B. Price Analysis**

The fully burdened hourly rates for the term of the bench contracts were established as part of the competitive contract award in September 2022. Rates remain unchanged and are lower than current market rates for similar services. Task Orders will be subject to technical analysis, price analysis, and negotiations to determine the fairness and reasonableness of price prior to award.

## CONTRACT MODIFICATION/CHANGE ORDER LOG

COMMUNICATIONS SUPPORT SERVICES BENCH  
PS85397000 THROUGH PS85397015

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>Amount</b>
1	Added Special Provision SP-20 Drug Free Workplace Policy	Approved	5/23/23	\$0
2	Increase the not-to-exceed cumulative bench contract value	Pending	Pending	\$18,000,000
	<b>Modification Total:</b>			<b>\$18,000,000</b>
	<b>Original Contract:</b>		<b>9/22/22</b>	<b>\$32,000,000</b>
	<b>Total:</b>			<b>\$50,000,000</b>



## DEOD SUMMARY

**COMMUNICATIONS SUPPORT SERVICES BENCH  
PS85397000 THROUGH PS85397015**

**A. Small Business Participation**

To date, twenty-eight (28) Task Orders (TO) have been awarded to fourteen (14) of the (16) sixteen Small Business (SB) Primes on the Communications Support Services Bench contract. Contractors made various Small Business Enterprise (SBE) commitments on this TO-based contract. The contract is 64.43% complete and the overall level of SBE participation across all SBE Primes is 62.62%. Eleven (11) bench participants are meeting or exceeding their SBE commitment(s), two (2) are not meeting the SBE commitment, one (1) bench participant has not reported payments to the SBE's to-date, and two (2) have not received any TO awards to-date.

Community Connections, LLC (CCL), made a 55% SBE commitment and the current level of overall participation at 35.81%, representing a shortfall of 19.19%. CCL has a shortfall mitigation plan on file and contends that the shortfall is due to budget allocation for the non-SBE subcontractor's work being greater than initially expected, as confirmed by Metro's Project Manager. CCL further reported that to mitigate the shortfall, they plan to allocate the additional change order work to their staff and expect to meet the SBE commitment at the end of the contract.

The Lee Andrews Group (LAG) made a 70% SBE commitment and the current level of overall participation is 56.47%, representing a shortfall of 13.53%. LAG has a shortfall mitigation plan on file and attributes the shortfall to changes requested by Metro to increase the involvement of Community-Based Organizations (CBOs) and dedicated Community Impact Specialists (CIS), as confirmed by Metro's Project Manager. LAG indicated it will make every effort to mitigate the shortfall as future task orders are awarded.

**1. Arellano Associates – 5 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>30% SBE</b>	<b>Small Business Participation</b>	<b>97.39% SBE</b>
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**2. Communications Lab (Barrios & Assoc.) – 1 Task Order Awarded**

<b>Small Business Commitment</b>	<b>40% SBE</b>	<b>Small Business Participation</b>	<b>100% SBE</b>
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**3. Community Connections – 1 Task Order Awarded**

<b>Small Business Commitment</b>	<b>55% SBE</b>	<b>Small Business Participation</b>	<b>35.81% SBE</b>
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**4. Costin Public Outreach Group – 0 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>30% SBE</b>	<b>Small Business Participation</b>	<b>0% SBE</b>
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*\*To-Date no Task orders have been awarded to Costin Public Outreach Group*

**5. Dakota Communications – 0 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>65% SBE</b>	<b>Small Business Participation</b>	<b>0% SBE</b>
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*\*To-Date no Task orders have been awarded to Dakota Communications*

**6. Del Sol Group – 1 Task Order Awarded**

<b>Small Business Commitment</b>	<b>100% SBE</b>	<b>Small Business Participation</b>	<b>100% SBE</b>
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**7. Lazar Translating & Interpreting – 2 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>60% SBE</b>	<b>Small Business Participation</b>	<b>61.40% SBE</b>
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**8. Lee Andrews Group – 5 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>70% SBE</b>	<b>Small Business Participation</b>	<b>56.47% SBE</b>
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**9. MBI Media – 2 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>70% SBE</b>	<b>Small Business Participation</b>	<b>100% SBE</b>
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**10. Murakawa Communications – 1 Task Order Awarded**

<b>Small Business Commitment</b>	<b>30% SBE</b>	<b>Small Business Participation</b>	<b>100% SBE</b>
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**11. Natively Fluent – 1 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>100% SBE</b>	<b>Small Business Participation</b>	<b>0% SBE</b>
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*\*To date, No payments to SBE's have been reported*

**12. North Star Alliances – 3 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>60% SBE</b>	<b>Small Business Participation</b>	<b>61.78% SBE</b>
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**13. Pacific Graphics Inc. – 3 Task Orders Awarded**

<b>Small Business Commitment</b>	<b>100% SBE</b>	<b>Small Business Participation</b>	<b>100% SBE</b>
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**14. Redwood Resources – 1 Task Order Awarded**

<b>Small Business Commitment</b>	<b>40% SBE</b>	<b>Small Business Participation</b>	<b>100% SBE</b>
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**15. The Robert Group – 1 Task Order Awarded**

<b>Small Business Commitment</b>	<b>100% SBE</b>	<b>Small Business Participation</b>	<b>100% SBE</b>
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## 16. VMA Communications – 1 Task Order Awarded

<b>Small Business Commitment</b>	<b>85% SBE</b>	<b>Small Business Participation</b>	<b>100% SBE</b>
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<sup>1</sup>Current 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**

The Living Wage and Service Contract Worker Retention Policy 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.

# On-Call Communications Support Service Bench Contract – File 2024-0951



# Background

- In September 2022, the Board approved the establishment of the Communications Support Services Bench (Bench) for an amount not to exceed \$32,000,000 for a four-year term with 16 Small Business Enterprise (SBE) prime contractors.
- The Bench provides Metro's Customer Experience Department with supplementary communications services supporting Metro's projects, programs, and initiatives, such as community engagement programs, public information campaigns, and various public outreach activities.
- Bench contracts have been in place for two years and consist of 16 full-service, multi-disciplinary teams that serve on an on-call, task order-award basis under six disciplines:
  1. Strategic Communications
  2. Interpretation/Translation
  3. Special Events and/or Digital Production
  4. Professional Facilitation
  5. Mailing Services
  6. Professional Technical Writing



**Metro**

# Recommendation

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to Communications Support Services Bench Contract Nos. PS85397000 through PS85397015 to:

- A. INCREASE the cumulative contract value of the Bench contracts in an amount not-to-exceed \$18,000,000, increasing the cumulative contract value from \$32,000,000 to \$50,000,000; and
- B. EXECUTE task orders for a Not-to-Exceed (NTE) total authorized amount of \$5,000,000.

*Thank  
You!*



Metro®





## Board Report

File #: 2024-1059, File Type: Contract

Agenda Number: 15.

### EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 21, 2024

**SUBJECT: RECRUITMENT STRATEGIC ASPIRATION SERVICES**

**ACTION: APPROVE RECOMMENDATION**

#### RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. EXECUTE Modification No. 1 to Contract No. PS108564000 with McKinsey & Company, Inc. (McKinsey) to provide consultant support services for hiring process improvements, continued job classification analysis, and execution of strategies to reduce vacancy rates and retain talent, in an amount Not-to-Exceed (NTE) \$3,477,500, increasing the contract value from \$497,500 to \$3,975,000 and extend the period of performance from June 30, 2025 to December 31, 2025 and;
- B. AMEND the FY25 budget in the amount of \$3,477,500 to fund the contract modification.

#### ISSUE

Given the unprecedented number of new rail openings and initiatives through 2027, staff anticipates more than 1,000+ recruitments will need to take place to support the A Line to Pomona, D Line Extensions, the Transit Ambassador transition, and the implementation of the Transit Community Public Safety Department, as well as managing for normal attrition. Contract No. PS108564000 was awarded in July 2024 to McKinsey, a strategy and global management consulting firm, focused on advancing the pursuit of sustainability, inclusion, and growth. The contract includes consultant support for the evaluation of Metro's hiring department structure and job classifications, assessment of hiring processes, and review of collective efforts aimed at retaining employees, and reducing vacancy rates while remaining compliant with legal requirements. Preliminary talent diagnostics (Attachment A) identified opportunities to improve hiring speed and volume, decrease time-to-hire, and reduce vacancies. As a result, staff has determined that immediate support is needed to implement these opportunities.

#### BACKGROUND

Currently, Metro has over 740 vacancies. On average, Metro hires 168 employees each month, of which 100 are high volume recruitment efforts for bus operators to maintain required service levels. High volume recruitment efforts are not reflected in the vacancies as recruitment for bus operators is

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a continuous effort. Depending on the complexity of the recruitment, the process for filling vacancies ranges between 12-31 weeks per hire. This time-to-hire duration is more than double the benchmark for public sector organizations.

McKinsey evaluated Metro's hiring process across all phases, reviewed current job classifications, and provided recommendations to improve and reduce vacancy rates for mission-critical, hard-to-fill and high-volume positions. Additionally, one of Metro's strategic aspirations is to reimagine its approach to attract talent and retain the best employee base. This strategic aspiration is centered on improving the effectiveness of the Metro Chief People Office, which provides support throughout the agency.

Preliminary talent diagnostics were provided to Metro for review and consideration. As a result of the preliminary talent diagnostics, it became evident that Metro is at a critical moment for its talent needs. Specifically, over the next three years, Metro will have to grow its ability to attract and retain qualified employees to support existing operations coupled with the imminent opening of several expansion projects and hosting major world events such as the 2026 FIFA World Cup and 2027 Superbowl. Additionally, Metro acknowledges that talent needs must be addressed with the following principals: process innovation, streamlining of resource planning, stakeholder engagement and buy-in, and prioritization of critical roles, resources and timelines.

## **DISCUSSION**

According to McKinsey's preliminary findings, Metro's vacancy rate, time-to-hire, and promotion processes are outside of recommended best practices. While Metro is leveraging technology to improve its processes such as the implementation of cloud-based software for human capital management, there are several strategic recruiting opportunities that remain unmet, including:

1. Decreasing the average time-to-hire
2. Decreasing the overall non-contract vacancy rate
3. Accelerating timeline for promotions

This request for a contract modification will allow McKinsey to advance this critical work into an implementation phase. Metro staff will receive support to optimize processes, innovate, track, and organize its recruitment services. Additionally, this will positively impact Metro's workforce morale and position the agency to gain a competitive advantage by proactive and strategic recruitment and retention efforts. Through this contract modification, staff, with McKinsey's support, will:

1. Establish an internal tactical team whose primary responsibility will be to implement a sustainable approach to address and mitigate the backlog of vacancies, significantly shortening the time to hire by more than 50%, and lowering the vacancy rate to under 10% within the next two years;
2. Develop and implement a robust, dynamic planning tool to track, budget and forecast for attrition and vacancies, inclusive of hard-to-fill and high-turnover positions, layered with major project milestones, openings of rail lines, and new services and/or initiatives such as the Transit Community Public Safety Department and the Transit Ambassador transition; and
3. Develop a promotion process that accelerates the administration of internal promotions up to

4x's faster.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this contract modification will allow Metro to implement recommendations to support the effective recruitment and retention of mission-critical positions. This proactive approach ensures safety of our employees, Metro customers, and the public at large.

### **FINANCIAL IMPACT**

Upon Board approval, this action will amend the FY25 budget for \$3,477,500 under cost center 2314 Strategic Hiring, project 100002, task 01.01, General Overhead to fund the contract modification.

The cost center manager and the Chief People Officer will be accountable for budgeting the cost in FY25.

#### **Impact to Budget**

The source of funding will be administrative funds, that are not eligible for bus/rail operating expenses.

### **EQUITY PLATFORM**

The services provided by the contractor will ensure Metro continues the equitable evaluation of hiring processes across all phases, includes continuous review of current job classifications for recruitment and retention purposes, and provides sustainable improvement recommendations to reduce vacancy rates across the agency. Additionally, this will ensure that Metro hires employees in a timely, proactive and strategic approach while maintaining all regulatory, safety, and Equal Employment Opportunity requirements, and delivering world-class transit service throughout Los Angeles County.

The Diversity & Economic Opportunity Department did not establish a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) goal on the original contract and McKinsey & Company, Inc. did not make an SBE/DVBE commitment. However, for this modification, McKinsey & Company, Inc. made a 5.25% DVBE commitment.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This Board action supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization. This contract modification will ensure that Metro receives accelerated recruitment strategic aspiration support services in advance of new initiatives, regional events and expansion efforts impacting Metro's workforce.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to approve the recommendation for the contract modification for human resource process improvements.

An option is to assign this responsibility in-house; however, due to the current vacancy factor, this is not recommended as Metro does not have sufficient staff available with expert-level knowledge needed and capacity to evaluate Metro's hiring process across all phases, continue the review of current job classifications, and provide improvement recommendations to reduce vacancy rates, while performing their current duties.

### **NEXT STEPS**

Upon Board approval, staff will execute Modification No.1 to Contract No. PS108564000 with McKinsey to continue to provide recruitment strategic aspiration services.

### **ATTACHMENTS**

Attachment A - Metro Preliminary Talent Diagnostics

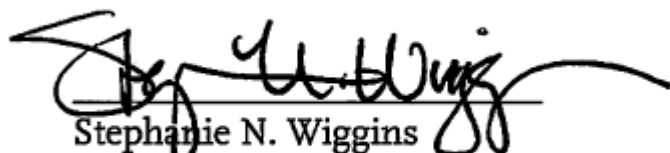
Attachment B - Procurement Summary

Attachment C - Contract Modification/Change Order Log

Attachment D - DEOD Summary

Prepared by: Nancy Saravia, Deputy Executive Officer, Administration, (213) 922-1217  
Don Howey, Executive Officer, Administration, (213) 922-8867  
Sandra Blanco-Sanchez, Senior Executive Officer, Special Programs, (213) 418-3102  
Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer (Interim), (213) 922-4471

Reviewed by: Dawn Jackson-Perkins, Chief People Officer (Interim), (213) 418-3166



Stephanie N. Wiggins  
Chief Executive Officer

**Metro Talent Diagnostics – McKinsey Initial Summary**

1. Initial talent diagnostics identified opportunities to improve hiring speed and volume as listed below:

**Decrease in average time to hire for non-contract roles**

*From a FY24 baseline of 12-31 weeks*

**Overall non-contract vacancy rate within 2 years**

*Assuming full implementation and steady growth and attrition, compared to >20% rate today*

**Accelerated timeline for promotions**

*With a dedicated path, compared to FY24 baseline*

2. Three change levers in categories were also identified:

- 1. Process Optimization:** Simplify, accelerate, and reduce the number of handoffs in Metro's standard recruitment and hiring process
- 2. Process Innovation:** Build on the potential process improvements by tailoring Metro's recruiting and hiring approach for internal and previously vetted external talent, including a dedicated process for promotions
- 3. Organize to deliver:** Support strategic workforce planning and improve collaboration between Metro's Talent Acquisition team and the departments it serves. Improve Metro's ability to adapt its recruitment and hiring strategies to new changes and growth

**PROCUREMENT SUMMARY**  
**RECRUITMENT STRATEGIC ASPIRATION SERVICES / PS108564000**

1.	<b>Contract Number:</b> PS108564000			
2.	<b>Contractor:</b> McKinsey & Company, Inc. (McKinsey)			
3.	<b>Mod. Work Description:</b> Consultant support services for hiring process improvements, continued job classification analysis, execution of strategies to reduce vacancy rates and retain talent and extend the period of performance through 12/31/25.			
4.	<b>Contract Work Description:</b> Evaluate Metro's current structure and classifications, the hiring process and provide improvement recommendations to reduce vacancy rates			
5.	<b>The following data is current as of:</b> 11/12/24			
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>	
	<b>Contract Awarded:</b>	7/1/24	<b>Contract Award Amount:</b>	\$497,500
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b>	\$0
	<b>Original Complete Date:</b>	6/30/25	<b>Pending Modifications (including this action):</b>	Not-to-Exceed (NTE) \$3,477,500
	<b>Current Est. Complete Date:</b>	12/31/25	<b>Current Contract Value (with this action):</b>	NTE \$3,975,000
7.	<b>Contract Administrator:</b> Annie Duong		<b>Telephone Number:</b> (213) 418-3048	
8.	<b>Project Manager:</b> Don Howey		<b>Telephone Number:</b> (213) 922-8867	

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 1 to provide consultant support services for hiring process improvements, continued job classification analysis, and execution of strategies to reduce vacancy rates and retain talent. This Modification will also extend the period of performance from June 30, 2025 through December 31, 2025.

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

On July 1, 2024, Metro awarded a one-year contract to McKinsey for recruitment strategic aspiration services.

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

## **B. Price Analysis**

The recommended price has been determined to be fair and reasonable based on the Independent Cost Estimate (ICE), price analysis using historical pricing for similar services with other public agencies, and technical analysis. The ICE is based on the original negotiated contract rates. Staff negotiated a savings of \$372,500.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Recommended Amount</b>
\$3,850,000	\$3,477,500	\$3,477,500

## CONTRACT MODIFICATION/CHANGE ORDER LOG

## RECRUITMENT STRATEGIC ASPIRATION SERVICES / PS108564000

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1	Consultant support services for hiring process improvements, continued job classification analysis, and execution of strategies to reduce vacancy rates and retain talent, and extend the period of performance through 12/31/25.	Pending	Pending	<b>Not-to-Exceed (NTE) \$3,477,500</b>
	<b>Modification Total:</b>			<b>\$3,477,500</b>
	<b>Original Contract:</b>		<b>7/1/24</b>	<b>\$497,500</b>
	<b>Total:</b>			<b>NTE \$3,975,000</b>



## DEOD SUMMARY

## RECRUITMENT STRATEGIC ASPIRATION SERVICES / PS1018564000

**A. Small Business Participation**

The Diversity & Economic Opportunity Department did not establish a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) goal on the original contract and McKinsey & Company, Inc. did not make an SBE/DVBE commitment. However, for this modification, McKinsey & Company, Inc. made a 5.25% DVBE commitment.

	<b>DVBE Subcontractor</b>	<b>% Committed</b>
1.	Patricio Systems LLC	5.25%
<b>Total DVBE Commitment</b>		<b>5.25%</b>

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy 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.

# Recruitment Strategic Aspiration Services Contract Modification



Executive Management Committee  
November 21, 2024

# Staff Recommendation

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. EXECUTE Modification No. 1 to Contract No. PS108564000 with McKinsey & Company, Inc. (McKinsey) to provide consultant support services for hiring process improvements, continued job classification analysis, and execution of strategies to reduce vacancy rates and retain talent, in an amount Not-to-Exceed (NTE) \$3,477,500, increasing the contract value from \$497,500 to \$3,975,000 and extend the period of performance from June 30, 2025, to December 31, 2025, and;
- B. AMEND the FY25 budget in the amount of \$3,477,500 to fund the contract modification.

# Background

- In July 2024, McKinsey began work to evaluate Metro's hiring process and provided preliminary recommendations to:
  - ✓ Decrease the average time-to-hire
  - ✓ Decrease the overall non-contract vacancy rate
  - ✓ Accelerate timeline for promotions
- Metro anticipates more than 1,000+ recruitments will need to take place over the next three years to support major expansion projects, the Transit Ambassador transition, and the implementation of the Transit Community Public Safety Department, as well as managing for normal attrition
- The current process for filling vacancies ranges between 12-31 weeks per hire, depending on complexity of the recruitment
- Metro acknowledges that talent needs must be addressed with the following principals: process innovation, streamlining of resource planning, stakeholder engagement and buy-in, and prioritization of critical roles, resources and timelines

# Recruitment Strategic Aspiration Services – Contract Mod



- This request will allow McKinsey to advance efforts with staff to optimize processes, innovate, track, and organize recruitment services into an implementation phase
- With McKinsey's support, Metro will:
  1. Establish an internal tactical team whose primary responsibility will be to implement a sustainable approach to address and mitigate the backlog of vacancies, significantly shortening the time to hire by more than 50% and lowering the vacancy rate to under 10% within the next two years
  2. Develop and implement a robust, dynamic planning tool to track, budget and forecast for attrition and vacancies, inclusive of hard-to-fill and high-turnover positions, layered with major project milestones, openings of rail lines, and new services and/or initiatives such as the Transit Community Public Safety Department and the Transit Ambassador transition
  3. Develop a promotion process that accelerates the administration of internal promotions up to 4x's faster



## Board Report

File #: 2024-0765, File Type: Motion / Motion Response

Agenda Number: 16.

### EXECUTIVE MANAGEMENT COMMITTEE OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE NOVEMBER 21, 2024

**SUBJECT: QUARTERLY UPDATE ON TRANSIT COMMUNITY PUBLIC SAFETY DEPARTMENT (TCPSPD) IMPLEMENTATION PLAN**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Quarterly Update on the Transit Community Public Safety Department (TCPSPD) Implementation Plan; and
- B. AUTHORIZING the Chief Executive Officer (CEO), or their designee, to incorporate new job classifications into appropriate existing collective bargaining units, as determined by the CEO.

#### **ISSUE**

In alignment with Metro's mission and comprehensive safety and security framework, staff has commenced implementing the plan to stand up Metro's TCPSPD. This report serves as a status update to the Board.

#### **BACKGROUND**

At its June 2024 meeting, the Board adopted the TCPSPD Implementation Plan and approved the department's phased establishment over five years. The Board directed staff to report quarterly on the implementation progress.

Phase One (transition planning) activities include establishing a transition team, initiating executive recruitment of key personnel, starting with the Chief of Police position, initiating labor negotiations, and establishing a safety retirement plan with CalPERS, while facilitating community engagement to inform these efforts.

#### **DISCUSSION**

Following the Board's approval of the Implementation Plan, Metro's CEO assembled an interdepartmental task force to support the program rollout. This task force is composed of members of Metro's key departments, including Homeless Outreach Management and Engagement, Customer Experience, System Security and Law Enforcement, Chief People Office, Vendor/Contract

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Management, the Office of the Chief of Staff, Office of Management and Budget, and the Office of the Inspector General. Additionally, the CEO brought on a consultant to \to oversee and coordinate all activities related to standing up the TCPSD. This team meets bi-weekly to achieve the work plan goals and objectives identified in the TCPSD Implementation Plan. A summary of updates from key components of the Phase 1 Work Plan are included below.

### ***Transition Team Advisory Group***

The initial steps toward establishing the TCPSD are well underway. The CEO has assembled an advisory board of highly qualified professionals to form the TCPSD Transition Team. This team will play a critical role in providing strategic guidance and supporting the transition to an in-house public safety department.

The advisory board's purpose is to support the TCPSD's transition through strategic advice on program development, training, and operational protocols. This team will support and guide Metro's leadership in developing a care-first public safety approach focused on reducing escalations, promoting trauma-informed responses, and aligning with Metro's public safety goals. The advisory board includes national experts from diverse fields, with extensive experience in law enforcement, mental health, social services, and public safety reform, (in alphabetical order):

- **Rosamaria Alamo:** Clinical social worker and USC professor with expertise in trauma-informed social services.
- **Carmen Best:** Former Seattle Police Chief known for her diversity and inclusion initiatives.
- **Maris Herold:** Award-winning Police Chief of Boulder, recognized for data-driven and reform-oriented approaches.
- **Scott Holder:** Retired Police Chief, led San Ramon's transition from County Sheriff services to its own police department.
- **Cecily Kahn:** Experienced psychologist specializing in mental health evaluations and therapeutic interventions.
- **Rick Ornelas:** Retired Sergeant with the Los Angeles School Police Department and public safety educator with USC's School of Social Work with a background in crisis intervention.
- **Connie L. Rice:** Civil rights activist and lawyer with experience working with Law Enforcement.
- **Jonathan Sherin, M.D., Ph.D.:** Mental health advocate focused on inclusive, community-based public health systems.

The advisory board is in the final stages of formalization. Members bring a wealth of expertise essential for crafting a comprehensive and sustainable transition plan for the TCPSD. Once convened, the team will begin monthly advisory sessions to review strategic planning, training design, and policy development, ensuring a smooth and effective transition to the new Metro TCPSD.

### ***CalPERS Safety Retirement Benefits***

Establishing a safety retirement plan is essential to successfully stand up TCPSD. Police and safety personnel serve in specialized roles that require specific pension plans designed for law enforcement. As TCPSD is a new department within the agency, the current pension plans offered are outside of the required safety category. CalPERS offers various pension categories that may be used to provide a safety pension plan for the new department. Staff submitted a new pension category questionnaire to CalPERS in August 2024 to initiate the inclusion of the Metro TCPSD Chief of Police position in the safety pension plan. This questionnaire is required to gain concurrence from CalPERS before safety positions within the TCPSD can qualify under the safety category pension plan.

In September 2024, CalPERS notified the agency that after reviewing the preliminary job duty statements for the Chief of Police position, CalPERS determined that the position does qualify as a safety position under Government Code Section 20424 of the Public Employees Retirement Law. With the CalPERS determination, staff has initiated the process to modify Metro's current CalPERS contract to ensure that employees in this new category will be added to the appropriate pension plan once hired. By Spring 2025, staff will present the final Contract Amendment to the Board of for approval. Once approved, the final amendment will also be submitted to the Public Transportation Services Corporation (PTSC) Board for their approval. The CalPERS contract modification will be finalized before the Chief of Police is hired.

### ***Executive Recruitment***

The first TCPSD hire will be the Chief of Police, who will report directly to the CEO. This leadership position will set the stage for subsequent efforts to recruit sworn and non-sworn TCPSD personnel. The ideal candidate for this position must not only hold Peace Officer Standards and Training (POST) certification but also embody visionary leadership and accessibility while fostering a culture of collaboration within a diverse and dynamic transit community. The candidate should demonstrate a deep commitment to diversity, equity, and inclusion, ensuring these principles are not only embraced but actively translated into tangible outcomes through values-based decision-making.

Moreover, the candidate must be well-versed in care-based strategies, recognizing the importance of a holistic approach to public safety. This includes prioritizing de-escalation, mental health awareness, and community-centered policing that fosters trust and mutual respect. A strong understanding of trauma-informed care, behavioral health resources, and the integration of social services into law enforcement practices will be essential in addressing the complex needs of the transit environment. The ability to engage meaningfully with transit riders, community partners, and other key stakeholders, while navigating the intersections of public safety, social services, and law enforcement will be critical to success in this role. These qualities are consistent with Metro's Public Safety Mission and Values Statements, as well as the Bias-Free Policing Policy.

Metro has retained a recruiter who specializes in public safety leadership positions. Metro interviewed three executive recruitment firms before selecting Public Sector Search and Consulting



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(PSSC) firm to engage in the recruitment effort for the Chief of Police position. The firm specializes in recruiting police chiefs nationally and has knowledge and expertise in contemporary policing and recruitment methods. The firm is committed to diversity, equity and inclusion and maintains a strong placement rate of diverse candidates. PSSC has participated in various listening sessions and will speak individually with Board members; incorporating input from these events to advertise, market, and recruit candidates, which will be completed by the end of FY25 Q2. The candidates will be screened and vetted through a series of panel interviews which will be completed by the end of the FY25 Q3. The Chief of Police is expected to be onboarded at the start of FY25 Q4.

In support of the recruitment of the Chief position, Metro is currently hosting employee and customer listening sessions designed to create an open, inclusive environment where stakeholders can voice their perspectives on the qualities and leadership styles they value in a Chief for the TCPSPD. Metro also hosted a listening session with the business community. The goal is to gather valuable insights that will inform decision-making processes, foster collaboration, and ensure that diverse viewpoints are taken into account when shaping policies, strategies, or leadership roles.

### ***Crisis Response Teams***

Staff has initiated several key steps in the development of the crisis response program that will be housed in the TCSPD to support the provision of a care-based response to individuals suffering from mental crisis on the Metro system. Staff has conducted ride-alongs with the LAPD Homeless Outreach Proactive Engagement (HOPE) and LA County Sheriff's Transit Mental Evaluation Team (TMET), which represent one version of a law enforcement crisis response model that pairs clinicians with dressed-down officers. In August and September 2024, staff participated in their respective deployments, learning from the teams' deployment models, engagement tactics, safety protocols and roles/responsibilities.

Staff also completed a peer review in summer 2024 of several national Crisis Response and Intervention models. These evidence-based programs describe the efficacy of combining mental health resources with field-based engagements that are deployed through a dispatch center. They highlight the importance of integrating community stabilization facilities that offer various levels of care to support individuals in crisis. While none of the peer-reviewed models are specific to transit agencies, they offer detailed roadmaps for integration into Metro's TCPSPD.

Staff has also reached out to transit agencies nationally, like Austin, TX CapMetro and Oakland, CA BART, which currently deploy crisis response teams, to conduct additional peer agency reviews. Outreach to non-transit crisis response teams such as the CAHOOTS program in Eugene, OR, and our local LA County Department of Mental Health SMART team has also occurred during this period. The goal is to engage and shadow their teams, as well as hold in-depth discussions on their design model, method of implementation, operations, lessons learned, best practices, and exploration of outcomes.

### **An Inclusive Process**

Metro's public safety mission calls for a holistic, equity, holistic and welcoming approach to public

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safety. As such, it's important that the process to stand up the TCPSD be done by empowering both our employees and our customers to provide their input and feedback. Metro is also pursuing extensive public stakeholder engagement to gather input to determine what qualities, principles, and values Metro employees and customers find important for candidates being considered for this role. Recognizing that marginalized groups within communities that Metro serves are often underrepresented, targeted outreach efforts will be included to ensure all voices are heard, including Listening Sessions and gathering feedback from individuals at community events across the County. (Attachment A)

In addition, communicating with the community at large about Metro's plans to implement the TCPSD is a priority. Leading up to and immediately following the Board's vote to approve the TCPSD, the public relations team worked with reporters to ensure they had the most accurate information possible about the department - the reasons the decision was good for Metro, and how the implementation process would proceed. The result was a significant amount of neutral to positive media coverage recognizing Metro's bold step to address public safety on the system. Metro has also published articles on The Source and El Pasajero, as well as posts on social media to share the news with riders. Metro staff have also used social media to invite participation in listening sessions about the Chief of Police recruitment.

### ***Emergency Security Operations Center (Metro Center)***

Metro's current law enforcement and public safety response system is decentralized, with various personnel operating from different locations. While the surge created a unified command structure, the Metro Center will provide the necessary infrastructure to house it. Law enforcement contractors, security teams, field-based contractors, and Metro staff, including dispatchers, data analysts, and CCTV observers, all play distinct roles without a unified command center to coordinate their efforts. The System Security and Law Enforcement team relies on the Security Operations Center (SOC) as a dispatch hub, coordinating with the Rail Operations Center (ROC), Bus Operations Center (BOC), 911 emergency services, and handling direct calls for in-field support. However, with the use of contracted law enforcement, private security, and Ambassador services, there is no single, centralized dispatch location for these teams.

This lack of centralized command and communication poses challenges to efficient public safety responses across Metro's ecosystem. Establishing a cohesive command structure is critical for the success of the new TCPSD and will significantly improve public safety coordination system-wide. The upcoming Metro Center, slated for completion in early 2025, will address this issue by serving as a centralized hub for transportation emergencies and public safety operations. By bringing together key staff and resources in one location, the Metro Center will enhance communication and coordination between Metro's public safety personnel and regional partners, enabling a more efficient response to emergencies, serious incidents, and potential security threats.

The new facility will co-locate the Emergency Operations Center (EOC) and the SOC, providing 24/7 support for public safety operations related to bus and rail incidents, Metro facility protection, and daily connectivity to all transit systems. The Metro Center will centralize key TCPSD dispatch and operations personnel. It will also include areas dedicated to Emergency Management, Physical Security, Data Analytics, Cyber Security collaboration, and SOC activity to support bus and rail operations. This consolidation will not only enhance the agency's ability to manage day-to-day public

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safety but will also support agency-wide and regional incidents, including major special events and future system expansions.

In addition to improving current operations, the Metro Center will play a pivotal role in supporting Metro's transition to its in-house police department by centralizing command and communications functions. This facility will enable Metro to streamline its public safety and emergency response efforts, enhancing its overall capacity to respond quickly and efficiently to emergencies while positioning the agency for future growth and system expansion.

### ***Collective Bargaining***

The TCPSD implementation will include the establishment of multiple job classifications for hundreds of new positions, including law enforcement officers, management, and administrative staff, among others. To allow for efficient collective bargaining concerning terms and conditions of employment, it may be necessary to quickly determine which existing collective bargaining units are appropriate to absorb the new classifications. Through ongoing labor relations and day-to-day administration, staff is deeply familiar with the specifications, duties, departments, geographical locations, and other distinctions and commonalities associated with existing job classifications for union-represented positions. Staff is in the process of developing new job classifications and specifications for positions associated with the TCPSD. As these new classifications are established, the CEO is well-positioned to fairly and efficiently determine the appropriate collective bargaining unit for each. In addition, the Collective Bargaining Agreements (CBA) for AFSCME and TCU were ratified last month, which allows staff to begin negotiations for supervisorial positions and crisis intervention positions, respectively. Negotiations with TEAMSTERS will commence once the current CBA negotiations are completed.

### **DETERMINATION OF SAFETY IMPACT**

The TCPSD will improve safety on the Metro system as it will allow for a transit policing style of engaged visibility where officers are more visible across the system, thus increasing the feeling of safety for Metro riders and employees.

### **FINANCIAL IMPACT**

This recommendation has no financial impact.

### **EQUITY PLATFORM**

Metro recognizes that relationships between law enforcement and communities of color and other marginalized individuals have been strained due to unjust actions such as racial profiling and a disproportionate number of issuance of tickets and arrests of people of color. An in-house Transit Community Public Safety Department would empower the agency with the authority to implement safeguards, oversight, and training of officers based on agency priorities and values, promoting the equitable treatment of all riders with dignity and respect in accordance with the Board-approved Bias-Free Policing Policy. Furthermore, an in-house Transit Community Public Safety Department would allow for a transit policing style of engaged visibility where officers are more visible across the system, thus increasing the feeling of safety for Metro riders and employees.

Community Engagement during each phase of the Implementation Plan provides Metro with opportunities to establish and maintain positive relationships with transit riders and the broader community, taking into account their unique perspectives, diverse needs, and direct feedback. Metro will continue to conduct outreach activities, educational programs, and public safety campaigns to raise awareness and build public trust in the leadership and values of the TCPSD. The feedback gathered during each employee and community outreach event informs Metro as the department develops. Metro wants to understand employee and rider concerns and work collaboratively towards solutions.

By integrating employee and public feedback into the hiring process for the new TCPSD Chief of Police and development of the department, Metro will ensure a comprehensive approach to public safety that prioritizes care, compassion, and community collaboration. This holistic strategy not only addresses immediate safety concerns but also fosters equity and collaboration with marginalized communities to improve public safety on the transit system.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommendation supports strategic plan goal 2.1 of committing to improving security. Based on the In-House Public Safety Feasibility Study findings, transitioning to an in-house Transit Community Public Safety Department would enhance safety.

### **NEXT STEPS**

Staff will continue to actively engage employees and the public in the process of the implementation of the TCPSD. Staff will report back to the Board quarterly with progress updates.

### **ATTACHMENTS**

#### Attachment A - Listening Sessions

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Stephanie N. Wiggins  
Chief Executive Officer

### *Employee Listening Sessions*

Metro first conducted listening sessions for employees. To encourage maximum participation, sessions are being held both in person and virtually, with thoughtful consideration given to the timing and locations to ensure accessibility for front-line staff and employees from all Divisions and departments.

The first listening session took place in September 2024 at the Rail Operations Control Center, where employees shared their insights and priorities for the new leadership role. Additional sessions have been held throughout September and October at various Metro locations, including Divisions and the headquarters building. The executive recruiter is participating in each session to facilitate discussions and document feedback, which will play a crucial role in shaping Metro's recruitment strategy for the Chief of Police position.

To further enhance employee engagement, Metro has introduced a QR code that allows staff to easily access a short survey, where they can provide additional feedback on the qualities and priorities they believe the TCPSD Chief of Police should exemplify. This survey has been communicated via the Metro Daily Brief and direct emails, offering another means for employees to share their input.

Additionally, in July 2024, Metro began an internal Interest List to provide Metro employees with an opportunity to become a sworn officer within the TCPSD. As of October 9, there have been 515 employees who have expressed interest in learning more about TCPSD positions. The employees range from bus operators, custodians, service attendants, customer service agents, transit security officers, supervisors, and managers.

### *Public Listening Sessions*

The Public Safety Advisory Committee (PSAC) has hosted three Community Listening Sessions to engage with the public as of the date of submission of this report. The first Listening Session took place at Los Angeles Union Station with 25 attendees, and the second session was conducted virtually with approximately 40 people in attendance. The third Listening Session took place at the Michelle Obama Neighborhood Library in Long Beach on Saturday, October 26, with about 15 attendees. At these community listening sessions, the public had the opportunity to share their vision for Metro's new Chief of Police and Emergency Management. The public was asked to share the values, skills, and traits they believe are essential for the role. Their input will help shape the future of safety in the community and on Metro. In two special meetings that were scheduled, the PSAC members themselves had an opportunity to meet with the executive recruiter and provide their own feedback and comments related to the traits, skills, and values they believe should be considered when recruiting a new Chief. In addition to these listening sessions, the PSAC engaged with the public at tabling events across the County through the Fall. In August, the PSAC tabled at National Night Out in Sun Valley, Queer Mercado in East Los Angeles, CicLavia-Meet the Hollywoods in West Hollywood, Levitt Pavilion Summer Concert at MacArthur Park, and NoHo Farmers Market in North Hollywood. The PSAC also attended the Belmont Shore Car Show in Long Beach and the

Hispanic Heritage Festival in Inglewood in September, reaching 65-100 people per event. And finally in October, they attended CicLavia in the Heart of LA, and the Taste of Soul with an estimated attendance of over 10,000 at each event.

In addition to those listening sessions and tabling opportunities hosted by the Public Safety Advisory Committee, staff engaged various targeted groups to ensure we heard from a cross-section of people with diverse lived experiences within the County of LA.

In August 2024, the Community Advisory Committee (CAC) requested an update on current Metro initiatives to discuss the TCPSD and learn what progress had been completed so far. SSLE briefed on the implementation plan, the 5-year timeline, and the status, which included building the job specifications for the Chief of Police, gauging interests in current Metro staff on joining the TCPSD, and hiring the recruitment and transition teams. The CAC expressed excitement about Metro's vision for the TSCPSD and requested frequent updates on the progress and will be meeting with the facilitator to provide their own feedback for the recruitment of the Chief of Police and Emergency Management on November 20, 2024.

In September 2024, SSLE briefed the Technical Advisory Committee (TAC), which was the first time that the group requested a security presentation. The TAC requested an update on the TCPSD and wanted to understand how the organization would be different than current law enforcement and specifically asked to understand what type of oversight would be in place for this agency. SSLE explained that there would be a civilian oversight committee that would take the best practices of the current Metro advisory committees but also highlighted that the current committees would still have the same opportunities to provide feedback.

To round out the Listening Sessions, the facilitator also engaged with the business community in a listening session hosted by BizFed that yielded about 60 participants, approximately 45 faith based leaders at Metro's Faith Leaders Roundtable, 20 older adults during a listening session with On the Move Riders Program, about 25 participants at the Accessibility Advisory Committee meeting and about 25 members of the Women & Girls Governing Council. Staff will also be engaging the Youth Council on November 18 and the Aging and Disability Transportation Network in a meeting to be held in November, ensuring that we have a cross section of people with disabilities, women, youth and older adults.

**QUARTERLY UPDATE ON  
TRANSIT COMMUNITY PUBLIC  
SAFETY DEPARTMENT  
(TCPSD) IMPLEMENTATION  
PLAN**





# TCPSD Implementation Plan

Develop a “care-first” public safety model that prioritizes de-escalation, mental health support, and community engagement over the next five years

## **Objectives:**

- Enhance transit system safety for riders and employees
  - Provide a visible engaged presence on buses and trains
  - Fiscally sustainable
  - Accountability and transparency
-

# Executive Recruitment for Chief of Police

- National recruitment to secure a Chief of Police who embodies Metro's values and commitment to diversity, equity, and inclusion
- Held listening sessions with employees, riders, community members, and the business community to gather diverse perspectives:
  - Multiple internal listening session with employees across various shifts
  - PSAC hosted three Community Listening Sessions to engage with the public
  - Listening sessions with the Technical Advisory Committee, Women and Girls Governing Council, Accessibility Advisory Council, Metro Youth Council, and Aging and Disability Transportation Network and a Business Community Listening Session with BizFed
- Feedback collected to inform the selection criteria and leadership qualities sought in the new TCPSD Chief of Police

# Transition Team Advisory Group

- Successfully implementing the TCPSD requires subject matter experts with specialized knowledge in public safety, care-based strategies, and transit operations to serve as the TCPSD Transition Team Advisory Group.
- These team members will support Metro in shaping TCPSD policies, training, and care-based practices, providing input and feedback at key milestones to ensure that the new public safety model aligns with Metro's strategic goals and public safety best practices.
- Advisory body comprised of experts from law enforcement, mental health, and social services
- Identified 8 out of 10 members

# CalPERS Safety Retirement and Project Manager

- CalPERS approval received for Chief of Police position to be classified as a safety role under Government Code Section 20424
- Process initiated to modify Metro's CalPERS contract for TCPSD's inclusion in a specialized retirement plan for safety personnel, expected completion by Spring 2025
- Hired a dedicated project manager to oversee all TCPSD efforts

# Crisis Intervention Teams

- **Crisis Intervention Focus:**

- Establishing teams within TCPSD to address mental health crises on Metro through a compassionate, non-policing approach

- **Learning from Peer Programs:**

- Staff ride-alongs with LAPD's Homeless Outreach Proactive Engagement (HOPE) and LA County Sheriff's Transit Mental Evaluation Team (TMET)
- Peer reviews of successful crisis intervention models like Eugene's CAHOOTS program, Austin's CapMetro, and Oakland's BART

- **Goals for Crisis Response:**

- Integrate mental health clinicians with first responders
- Develop a dispatch system for crisis response that connects individuals with stabilization facilities and community resources

# Next Steps

- Continuation of public and employee engagement initiatives, including listening sessions - and Community Advisory Council Meeting (11/20).
- Ongoing recruitment for TCPSD Chief of Police
- Finalizing Transition Team Advisory Group
- Finalizing Metro's CalPERS contract amendment for TCPSD's inclusion in the safety retirement plan



## Board Report

File #: 2024-0925, File Type: Rule / By-law

Agenda Number: 17.

### EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 21, 2024

**SUBJECT: COMMUNITY ADVISORY COUNCIL (CAC) UPDATE**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Community Advisory Council update; and
- B. APPROVING CAC's revisions to their Bylaws (Attachment A).

#### **ISSUE**

The Community Advisory Council (CAC) provides regular updates on its activities to the Board. This receive and file report serves as an update on CAC activities for the period April 19, 2024 - October 11, 2024. Typically, reporting on CAC activities is done quarterly; however, during this period the CAC needed two-thirds approval to forward their proposed Bylaws changes to the Board. Achieving this approval took longer than anticipated, which is why the report spans two quarters.

Per the CAC's bylaws Article VII, any revisions to the bylaws "are subject to Board approval" for implementing changes. Given that the CAC proposes various revisions to the current bylaws and proposes activation of two new Standing Committees, approval is required by the Metro Board. The new Standing Committees would parallel the Board's Planning and Programming Standing Committee and Operations, Safety and Customer Experience Standing Committee.

#### **BACKGROUND**

Per state statute, Metro must appoint a Citizens' Advisory Committee (CAC) whose membership "shall reflect a broad spectrum of interests and all geographic areas of the county." The CAC prefers to be referred to as the Community Advisory Council because it better reflects its constituency.

Per the bylaws adopted by the CAC, the group is to consult, obtain, and collect public input on matters of interest and concern to the community. It will communicate the CAC's recommendations concerning such issues to Metro. Issues may also be assigned to the CAC by Metro for its review, comment, and recommendation.

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The CAC is currently comprised of 24 members. CAC Members are directly appointed by the Metro Board of Directors and serve at the pleasure of their appointing Director. Each voting Metro Board Director can appoint up to four appointees to serve on the CAC.

## **DISCUSSION**

During this period, items that the CAC addressed include:

1. Support of Metro's Board motion to make the GoPass Program permanent.
2. Election of a new Executive Committee to serve for FY24/25 which began on July 1, 2024.
3. The CAC's desire to pursue changes to the language in the bylaws that address when the CAC shall hold meetings as noted in "Section VI: Meetings" (page 4 of Bylaws) and seeks to change the reference to "Board Clerk" from "Board Secretary" in "Article III: Officers, 3. Duties of Secretary."
4. Appointments of new members to the CAC by Chair Janice Hahn, 2<sup>nd</sup> Vice Chair Fernando Dutra, Director Karen Bass, Director Kathryn Barger, and Director Paul Krekorian.
5. Development of two new CAC Standing Committees, one focused on Planning and Programming and another on Operations, Safety, and Customer Experience (per CAC's bylaws guidance under Article V: Subcommittees, Item 2).

Please refer to Attachment B for a full summary of the CAC meetings held April 19, 2024 - October 11, 2024.

## **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on safety standards for Metro.

## **FINANCIAL IMPACT**

The FY25 Budget includes \$88,800 in cost center number 7160, Community Relations, under project number 100035, Advisory Body Compensation, for the CAC member compensations.

Activation of two additional subcommittees could result in an increase cost of approximately \$28,800 that would be covered by the reallocation of funds in FY25. Since this is a multi-year activity, the cost center manager and Chief Customer Experience Officer will be accountable for budgeting the cost in future years.

### **Impact to Budget**

The sources of funding are Measure R 1.5% Administration and Measure M 1.5% Administration, which are not eligible for bus and rail operating and capital expense.

## **EQUITY PLATFORM**



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CAC Members represent diverse ethnic and socio-economic backgrounds, viewpoints, perspectives, and priorities. Over recent years, the CAC has become increasingly diverse in terms of race/ethnicity, gender, and age. It comprises several members who utilize Metro and partially Metro-funded services (such as Access Services, local municipal operators' services, Metrolink, etc.) and regularly ride the Metro system. Additionally, some CAC members have disabilities, further increasing equitable representation among LA County's diverse population.

Of the 24-member advisory council, 73% identify as Black, Indigenous, or People of Color (BIPOC). In addition, there are seven women, representing 30%, and one member identifies as a transgender individual.

Continuing this trend, one of the new members appointed during this reporting period is a youth and a regular transit rider, while another new member appointed during this reporting period is an Asian-American.

Equity was at the forefront of the CAC's policy recommendations during this reporting period, as clearly demonstrated by the council's vote to support the GoPass Program, which provides free fares for K-12 and community college students, who tend to be low-income and from BIPOC communities.

Additionally, the CAC's recently proposed bylaws changes aim to increase accessibility and flexibility for CAC members regarding when they can convene their monthly CAC Meetings, as well as the opportunity for more CAC members to consider future service through leadership roles on the CAC's Executive Committee.

Lastly, the CAC's most recent discussions and expressed interest in forming additional CAC Committees (pending Metro Board approvals) reflect their latest efforts to provide more avenues and opportunities for their general membership and for the public to engage more deeply with the CAC in specific Metro matters, as well as more leadership development opportunities for the general membership within the CAC.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

**Goal 1** - Provide high-quality mobility options that enable people to spend less time traveling

**Goal 2** - Deliver outstanding trip experiences for all users of the transportation system

**Goal 3** - Enhance community and lives through mobility and access to opportunity

**Goal 4** - Transform LA County through regional collaboration and national leadership

**Goal 5** - Provide responsive, accountable, and trustworthy governance within the Metro organization

The advisory input of the CAC to Metro supports Metro's Strategic Vision Goals, as outlined above, as per State statute that created the CAC and per their bylaws, the CAC's purview may be broad, and it is not required, nor has it been assigned a focus that is specific to one issue area or one concern for the agency.

## **NEXT STEPS**

Revise the CAC Bylaws per the Board's approval or direction.

**ATTACHMENTS**

Attachment A - Proposed CAC Bylaws Changes

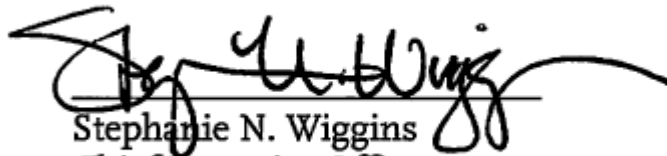
Attachment B - CAC's April through October Recap

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Stephanie N. Wiggins  
Chief Executive Officer

## Attachment A

**Proposed CAC Bylaws Changes (pending Metro Board approval)** as approved by a 2/3rds vote at the September 25, CAC General Assembly Meeting. Bylaws changes require Board approval.

All proposed bylaws changes are highlighted in tracked changes.

Section/Article	Current Bylaws Language	Proposed Bylaws Change
<b>Article VI: Meetings</b>	<p><b>B. REGULAR MEETINGS:</b> The CAC will hold regularly scheduled monthly meetings the <b>fourth Wednesday</b> of each month and from time to time thereafter, unless such <b>day</b> is a holiday, in which case the meeting <b>shall</b> be held on the following Wednesday or the day before the MTA Board meeting, or to any date suggested by the majority of the CAC membership.</p> <p><b>C. EXECUTIVE COMMITTEE MEETINGS:</b> Regular meetings of the Executive Committee shall be held <b>the first Friday</b> each month and from time to time thereafter, unless such <b>day</b> is a holiday, in which case the meeting <b>shall</b> be held on the following Friday, or to any date suggested by the majority of the CAC membership.</p>	<p><b>B. REGULAR MEETINGS:</b> The CAC will hold regularly scheduled monthly meetings during the fourth week of each month and from time to time thereafter, unless the scheduled meeting falls on a holiday, in which case the meeting may be held on the following week or the day before the MTA Board meeting, or on any date suggested by the majority of the CAC membership. The CAC in its discretion may hold a December meeting at any time during the month.</p> <p><b>C. EXECUTIVE COMMITTEE MEETINGS:</b> The Executive Committee will hold regularly scheduled meetings during the first week of each month and from time to time thereafter, unless the scheduled meeting falls on a holiday, in which case the meeting may be held the following week, or on any date suggested by the majority of the CAC Executive Committee.</p>
<b>Article III: Officers</b>	Board Secretary	Board Clerk

## **ATTACHMENT B**

### **CAC's April through October Recap**

#### **April 2024**

On April 24, 2024, the CAC received an update on Metro's discounted fares and the Go Pass programs, for which the CAC expressed great enthusiasm, general support, and appreciation for Metro Board's motion to make the GoPass program permanent.

The CAC also received updates from the Office of Management and Budget regarding FY 25 budget development.

#### **May 2024**

At the May 22, 2024, General Assembly meeting, the CAC received an overview regarding Metro's comprehensive approach to public safety and updates on the Transit Ambassador Pilot Program. CAC members appreciated the presentation and were pleased that Metro is taking public safety seriously and with a human-centered approach. They expressed interest in receiving regular updates on this topic.

#### **June 2024**

Every June, the CAC elects a new executive committee to serve for the upcoming fiscal year that begins July 1, 2024. The new leaders will meet monthly to set CAC agendas for the General Assembly meetings following the CAC's annual work plan. The CAC convened on June 26, 2024, and elected its new Executive Committee members:

- **Art Montoya** was re-elected as Chair. He works in policy and enjoys serving his community and actively participates in civic activities. He is a husband and a son and has been a lifelong resident of Downey. Chair Montoya was appointed by Director Janice Hahn.
- **Elena Garza** was elected as Vice Chair. She previously served as Secretary on the CAC Executive Committee. Vice Chair Garza is a West Covina resident, an architecture student, and a regular transit rider who is very knowledgeable about public transportation issues. Vice Chair Garza was appointed by Director Tim Sandoval.
- **Chris Wilson** was elected Secretary. Secretary Wilson is a Harbor City resident passionate about transportation and infrastructure issues that affect Angelenos. Chair Janice Hahn appointed him.
- **Dalila Sotelo** was elected as Chair Emeritus. She resides in South Los Angeles and has her offices in Downtown Los Angeles. A native Angelina, she is particularly interested in public transit, transit-oriented community development, and the creation of affordable housing for all Angelenos. Director Karen Bass appointed Chair Emeritus Sotelo.

Additionally, the CAC received updates on Metro train interiors, focusing on the latest efforts and considerations related to sanitation and cleanliness. The CAC also received a brief update regarding TAP Plus.

### July 2024

At the July 2024 General Assembly meeting, the CAC received updates from Metro's Office of Strategic Innovation (OSI) on the Mobility Wallet Pilot Program and highlights regarding Metro's Olympics/Paralympics planning efforts.

### *Proposed Bylaws Changes*

Additionally, the CAC discussed proposed bylaws changes and the development of draft language for review and consideration at the August 2024 meeting.

The CAC has not revised its bylaws since March 2017. The bylaws include language that specifies when the CAC Executive Committee and General Assembly must meet. This rigidity does not allow for maximizing members' participation on alternate dates that might work better for the council members.

Bylaws "Section VI: Meetings" (page 4) state that:

- Executive Committee meetings shall be held on the first Friday of each month; and
- General Assembly meetings shall be held on the fourth Wednesday of the month.

Further, given the holiday season, meetings in December have often been challenging to convene. Hence, the CAC seeks greater flexibility for scheduling meetings in December.

The current CAC bylaws prescribe the days of each month on which the CAC can meet, which can be a limiting factor for some members interested in serving on the CAC or considering possible leadership roles in the future.

The new language changes are aimed at ensuring greater flexibility that addresses:

1. Executive Committee members to determine when they want to hold their meetings during the first week of each month.
2. General Assembly meetings are to be held anytime during the fourth week of each month.
3. More scheduling flexibility for meetings during the month of December.

Specific bylaws language changes were presented at the August 2024 General Assembly meeting for consideration.

### August 2024

During the August 28, 2024, meeting, the General Assembly nearly approved the proposed new bylaws language changes aimed at ensuring greater flexibility in scheduling its meetings. Two motions were presented:

1. Changes to the Executive Committee meetings
2. Changes to the General Assembly meetings

These actions require a two-thirds vote from its membership roster. While the majority of the attendees voted in favor of these changes, the votes did not reflect the necessary two-thirds affirmative vote from its entire membership roster at the time of the vote, which would have required 15 aye votes. Motion 1 received 14 aye votes, and Motion 2 received 12.

Therefore, a new vote reflecting two-thirds membership approval is required. This vote was placed on the agenda for action at the September 25, 2024, General Assembly meeting.

#### September 2024

The General Assembly requested and received updates from the Metro Customer Care team, including information on how the team receives and processes customer complaints and inquiries.

Additionally, as mentioned above, the CAC's proposed bylaws changes were revisited for a vote and received the required two-thirds vote, allowing their changes to proceed to the Metro Board for review and consideration (see Attachment A for CAC's approved bylaws changes).

#### October 2024

The Executive Committee in October and expressed interest in forming two new standing committees:

1. Planning and Programming Committee, and
2. Operations, Safety and Customer Experience Committee

To stand up the committees, the Metro Board must first consider and approve them.

The Executive Committee is considering these proposed Committees as a vehicle for the CAC to more closely “mirror” and track the Metro Board of Directors Committees on these same subject matters (under [“Article V: Meetings” of CAC’s bylaws](#)) and as an avenue for CAC Members to take on more leadership roles.

#### *New Committee Chairs*

The Executive Committee also proposed new Chairs for each of these two committees to serve as CAC's designated liaison to each Metro Board of Directors' parallel committees: Planning and Programming and Operations, Safety and Customer Experience.

The Executive Committee further sees chairing these new committees as a development opportunity for members to consider a leadership role on the CAC Executive Committee eventually. Additionally, they may consider increasing the number of standing committees in the future to more closely mirror the Metro Board structure.

It is important to note that any CAC committees (including existing ones and if additional ones are formed) would be considered “compensation eligible” (pending individual CAC Members’ eligibility to participate in the compensation option).

Should the Metro Board approve the formation of the committees, the CAC will further define the purpose, goals and overall plan for each committee.

### Membership Update

In September, one CAC Member resigned due to scheduling conflicts with work and six new members were appointed to the CAC to serve.

- **Kevin Shin** was appointed by Chair Janice Hahn. Member Shin resides in the Gateway Cities area and is particularly interested in active transportation matters.
- **Lorelei Bailey** was appointed by Director Fernando Dutra. Member Bailey resides in the Artesia area and has a keen interest in transit-oriented communities, the nexus between housing and transit, and active transportation matters.
- **Max Romero** was appointed by Director Kathryn Barger. Member Romero is a resident of the San Gabriel Valley and is the youngest CAC member. He is a regular and enthusiastic transit rider, often using multiple transit modes to travel across the County.
- **Paula Nazario** was appointed by Director Karen Bass. Her interests include enhancing transit safety, expanding transit lines and encouraging community engagement in urban planning efforts. She lives in South Los Angeles, is a regular transit rider and is very involved in her community.
- **Aaron Castillo-White** was also appointed by Director Karen Bass. He is a Los Angeles resident with a background in non-profit fundraising, partnership strategies, branding, and media strategy. He is interested in environmental and sustainability issues.
- **Doug Mensman** was appointed by Director Paul Krekorian. Member Mensman resides in Highland Park and has extensive knowledge and experience in local government with specific expertise in transportation and infrastructure policy matters.

The new members contribute to the CAC's broad geographic reach and representation from areas throughout LA County, and the recent appointments also increase the representation of Asian Americans, women, and youth on the council.

# *Community Advisory Council (CAC) Update*

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***Metro Executive  
Management Committee  
Meeting***

***November 21, 2024***





## Approve CAC's Recommendations

A. Receive and File the Community Advisory Council (CAC) update for April 19, 2024, through October 11, 2024. (Attachment B)

B. Approve CAC's revisions to their Bylaws (Attachment A)

Per the CAC's bylaws Article VII, any revisions to the bylaws are subject to Board approval for implementing changes.

CAC is proposing various revisions to the current bylaws to create:

- Greater flexibility in when the CAC can schedule their meetings.

CAC is considering activation of two new Standing Committees that would parallel the Metro Board Committees:

- Planning and Programming
- Operations, Safety and Customer Experience



**Metro**

## Discussion

During this reporting period, items that the CAC addressed include:

- Support permanent GoPass Program
- Election of new Executive Committee members
- Appointments of new members to the CAC by Chair Janice Hahn, 2<sup>nd</sup> Vice Chair Fernando Dutra, Director Karen Bass, Director Kathryn Barger, and Director Paul Krekorian.
- Consideration of the development of two new CAC Standing Committees.



**Metro**





# THANK YOU!



## Board Report

File #: 2024-0513, File Type: Policy

Agenda Number: 18.

### EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 21, 2024

**SUBJECT: ADVERTISING POLICY REVISIONS**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

CONSIDER:

- A. ADOPTING the amended System Advertising Policy (Attachment A); and
- B. ADOPTING the amended Commercial Sponsorship and Adoption Policy (Attachment B).

#### **ISSUE**

To expand and expedite potential advertising and sponsorship revenues immediately, Metro can amend two policies governing advertising revenue programs: 1) the System Advertising Policy - focusing on content restrictions and 2) Commercial Sponsorship and Adoption Policy - focusing on duration restrictions. As the policies are solely managed by Metro, these revisions can be executed within three months from Board adoption and will afford immediate opportunities in increased advertising revenues.

#### **BACKGROUND**

On March 29, 2024, a Special Board Budget Workshop was held to provide the Board a comprehensive analysis of the projected financial outlook and a detailed assessment of the economic conditions in LA County that would impact Metro's operational program delivery. Staff presented cost growth drivers in Metro transit operations, infrastructure construction risks, capital program expansion, and other programs. Staff also presented alternatives to address increasing budget costs including opportunities in advertising, sponsorships, and beyond. Two potential policy revisions were identified that could generate additional revenues: the current System Advertising and Commercial Sponsorship and Adoption Policy.

Metro's initial advertising policy was adopted in 2000, and at that time its scope was limited to Metro's bus fleet. The policy was revised several times thereafter to include additional assets:

2005 - Include rapid transit bus vehicles

2008 - Include trains and stations

2017 - Include Orange Line bus vehicles

As a result of those revisions, Metro's advertising policy covers all Metro systemwide assets. The policy was also revised multiple times regarding advertising content:

2013 - Prohibited messages injurious to Metro's interests, ads from personal injury law firms, many of which targeted Metro passengers involved in bus accidents.

2013 - Included the exception for non-profit organizations to partner with a governmental agency in submitting advertising that advances the joint purpose of the non-profit organization and the governmental agency.

2017 - Prohibit e-cigarettes and vaping products, while adding digital platforms and channels web, mobile, and social media.

2023 - Clarified non-commercial advertising and removed requirement of co-sponsorship with a government agency.

Metro's Commercial Sponsorship and Adoption Policy was introduced and adopted in 2021 and has not seen any amendments or updates since then. The policy and program were introduced seeking to generate alternative long-term revenues recovering from post-pandemic Covid impact.

## **DISCUSSION**

At the Special Board Budget Workshop, an overview of current and potential revenues governed by Metro policies & state laws, revenue potential, implementation timeline, and level of difficulty to achieve was presented. Four areas of focus were presented:

- 1) System Advertising Policy,
- 2) Commercial Sponsorship and Adoption Policy,
- 3) Expansion of current practice, and
- 4) CA Business & Professional Code §5405.6.

Changes in policies, state law, and expansion of practice may potentially earn Metro additional \$70M annually (\$2.1M from *System Advertising Policy*, \$11M from *Commercial Sponsorship and Adoption Policy*, \$20.5M from *expansion of current practice*, and \$35.5M from *CA Business & Professional Code §5405.6*), however, each area requires action in unique scope of work, internal and external coordination, state legislature, and additional contracts.

Policy or Law	Annual Potential Revenue	Timeframe	Difficulty
System Advertising	+ \$2.1M	3 months	Easy
Commercial Sponsorship	+ \$11.0M	6 months	Easy
Expansion of Practice	+ \$20.5M	12-24 months	Medium
CA Business & Professional Code § 5405.6	+ \$35.5M	24-36 months	Difficult

Expanding commercial system practices such as installing bank ATMs, providing merchandise vending machines, and activating temporary and event-based retail kiosks pose infrastructure challenges requiring station retrofitting, additional power & data, and more safety & security resources. Addressing the California Business & Professional Code §5405.6 -- which prohibit Metro from constructing outdoor advertising displays greater than 10 feet in width and length on agency property and right-of-way -- require amendment in state legislature, however, the Board has authority over the System Advertising and Commercial Sponsorship Policy.

Metro's Advertising and Sponsorship policies are limited by restrictions (detailed below) on advertising content, campaign duration, and approval process. These restrictions prevent the agency from realizing full earning potential and maximizing pre-World Cup, Super Bowl, Olympic and Paralympic Games, and long-term un-earmarked revenues. Addressing these two policies could increase annual advertising and sponsorship revenues by \$13.1M.

#### System Advertising Policy

Metro's current revenue advertising policy restricts advertising content, and campaign duration (dictated by sponsorship policy), amending the policy to ease restrictions could generate an additional \$2.1M annually. The key policy amendment is allowing Public Service Announcements (PSA) from Non-Profit organizations. Attachment C - *Policy Change Comparison*, provides a side-by-side comparison of current to recommended language. Along with advertising contractors, staff conducted a survey of other transit agencies and jurisdictions who currently allow the categories discussed in this report, and all transit agencies permit PSAs advertising content.

Ad Category	Additional Annual Revenue
Charter & Private Education Institutions	\$100,000
Public Service Announcements from Non-Profits	\$2,000,000
Beer and Wine, bars & grills, breweries, etc	\$2,750,000

Currently, public education institutions are permitted under the government advertising category as they receive public funding -- this allowance does not extend to charter and private education institutions. The purpose of this added language is to clearly state charter and private education institutions such as K-12 charter schools, for-profit and private education institutions are permissible in the new policy. Clarifying this category may generate an additional \$100,000 in annual ad revenues. The current policy does not include the category of *public service announcements and non-profits*. Legal Counsel has advised the allowance of this category with clear restrictions only permitting advertising content for services to treat or prevent illness; education and training services; services for low income, senior citizens, or people with disabilities; and museums with free

admission. Examples of content in this category includes community events and services by United Way, City of Hope Blood Drive, and food banks; fundraising efforts by Susan G. Komen, AIDS Walk, Wounded Warrior Project, Mothers Against Drunk Driving, to name a few. Allowing PSA ads may generate an additional \$1,500,000 on bus and \$500,000 on rail for total of \$2,000,000 annual ad revenue. The new policy language is below:

- **Public Service Announcements From Non-Profits** - Metro will accept paid promotional advertising by a nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code the sole expressed purpose of which relates directly to: (1) the availability of services to prevent or treat illnesses; (2) the availability of education or training services; (3) the availability of services or programs that provide support to low income citizens, senior citizens or people with disabilities; or (4) patronage of museums that offer free admission to the public.

#### Commercial Sponsorship and Adoption Policy

Metro's current commercial sponsorship policy restricts campaign and sponsorship duration and is stymied by administrative and approval processes. Metro could generate an additional \$11M annual sponsorship revenues by amending the policy to streamline and expedite sponsorship business process. All Metro assets and services are eligible for commercial sponsorship including bus and rail lines, stations and transit centers, programs, and events.

Station/Service	Estimated Annual Sponsorship
Airport Metro Connector	\$1,500,000 - \$2,500,000
7 <sup>th</sup> Street/Metro Center	\$2,000,000
A Line	\$3,000,000
C Line	\$2,750,000
B Line	\$1,750,000
E Line	\$1,750,000

The current sponsorship policy requires board action for all sponsorship activities. To expedite business, staff recommends delegating some approval authority to CEO. The recommended policy amendments are 1) for the Board to retain approval authority for title sponsorships (naming rights); 2) to delegate authority to the CEO for all other sponsorships such as non-title sponsorships (Door Dash for Bike Share), short-term sponsorships, and long-term advertising campaigns lasting no longer than 18 months (Max/HBO at Culver City); 3) extend maximum sponsorship durations from ten to twenty years to secure larger revenue streams, place less impact to system changes & customer experience, and reduce administrative support; 4) and revise Compliance and Evaluation Panel to cabinet chiefs rather than cabinet staff (*Attachment B - Commercial Sponsorship and Adoption Policy 2025*).

*Attachment C - Policy Change Comparison*, provides a side-by-side comparison of current to recommended language. Key policy points are embedded into the policy language below:

Currently, *temporary* advertising or sponsorship activity is defined as 90 days -- the language amends the definition of *temporary* from 90 days to 18 months; additionally, the language amends



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approval authority from board action (requiring 3-month process) to CEO approval authority (requiring 1-month process). The revised policy language below:

- ***Temporary*** is defined as any Sponsorship/Adoption/Advertising activity lasting up to eighteen months. All temporary commercial activity is within CEO's approval authority. However, any temporary activity affecting facility/station/service names and any short-term renaming/co-naming requires Board notification via board box memo.

Currently, *long-term* advertising or sponsorship is defined as any activity beyond 90-days -- the language amends the definition of *long-term* from 90-days to 19-months and amends the maximum length of sponsorships from 10-years to 15-years. There is no change in approval authority, the board will retain approval on all long-term commercial activities. The revised policy language below:

- ***Long-term*** is defined as any Sponsorship/Adoption/Advertising activity lasting greater than nineteen months with a maximum length of fifteen years. All long-term commercial activity require Board action.

Currently, *station renaming* is only defined as directly renaming a facility requiring official and operational name change (for example, renaming Pico Station to Kobe Bryant Station) - the additional language adds other techniques that do not change the official or operating name, but uses an additive technique (for example, Pico Station, Home of Kobe Bryant). The maximum duration for sponsorship renaming is again stated minimum 5-years to maximum 15-years. The revised policy language below:

- ***Station Renaming*** is defined as any Sponsorship/Adoption/Advertising activity that requires the renaming of a facility or station as part of its sponsorship plan; in addition, the renaming activity will impact the facility's official and operational name. Additive naming techniques such as 'Home of' or 'Presented by' that do not impact official and operational name, but may impact façade presentation, are also acceptable. Long-term station renaming requires a minimum five-year commitment to a maximum length of twenty years.

## **DETERMINATION OF SAFETY IMPACT**

There is no safety impact by adopting this policy. Staff will manage the advertising and sponsorship program and ensure contractors work in compliance with Metro Safety policies and certifications.

## **FINANCIAL IMPACT**

There is no negative financial nor budgetary impact by adopting these policy revisions. The policy revisions could allow Metro to generate additional operating-eligible revenues in the future.



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## **EQUITY PLATFORM**

Advertising and sponsorship revenues are an important supplemental revenue source supporting Metro's transportation operations. Additionally, the advertising program accepts multi-cultural and multi-language advertisements that provide alignment and inclusion of Metro's diverse communities.

Expansion of advertising content and permitting PSAs from non-profits may promote health awareness and treatment, education and training, and other services benefitting low-income riders, senior citizens, or people with disabilities. Advertising from museums and institutions with free admission will provide low-income, fixed income, and all transit riders with free and affordable leisure destinations accessible by transit.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This Board action supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the L.A. Metro organization. Current policies provide structure to responsibly manage the commercial advertising and sponsorship program, generating revenues that provide long-term supplemental revenue to support Metro's transportation operations.

## **ALTERNATIVES CONSIDERED**

The Board may choose not to adopt the amended policies; however, this is not recommended. While there are some reputational and content control risks associated with expanding the range of acceptable advertisers, the financial upside provides significant opportunities for the agency. With the right safeguards in place-such as clear advertising content policies and approval processes-these risks can be managed while still achieving the financial benefits needed to support the agency's long-term goals.

The current policy does not include the category of beer and wine. Staff considered the allowance of this category with clear restrictions surrounding imagery (i.e. no imagery of open containers and consumption of beverages); only permissible at high transit-traffic stations and hubs; maximum occupancy on bus and rail fleet at any time; not permissible on Metro Bike Share assets; and to include warning language included in each advertising that must occupy at least 3% of the area of the advertisement, that:

*"The legal age to purchase and consume alcohol in California is 21 years old. According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery and may cause health problems."*

Examples of content in this category include product advertising from alcoholic companies Anheuser-Busch Inc (Budweiser, Stella Artois), Molson Coors (Coors, Miller), Sutter Home Wineries, Barefoot Wineries, White Claw (Hard Seltzer), and Twisted Tea Brewing Company; food service retailers serving alcohol such as BJ's Restaurants & Brewhouse and The Redwood Bar & Grill, breweries such as Angel City Brewery and Duff Brewery and Beer Garden; and wineries such as San Antonio Wineries and Angeleno Wine Company. Further, other transit agencies across the country

allow for the advertisement of beer and wine.

Allowing beer, wine, and adjacent business (bar & grill, breweries, and wineries) advertising may generate an additional \$2,000,000 on bus and \$750,000 on rail for total of \$2,750,000 annual ad revenue. However, staff does not recommend inclusion of the category for beer and wine because 80% of Metro trips are in EFCs and this type of advertising increases exposure to unhealthy influences and promotes drinking in communities where access to alcohol is already high, often more accessible than healthy food options. These ad spaces could instead support positive community messages, school, medical care, job training, and community events, the \$2.7 million in added revenue is not worth the negative social impact on vulnerable communities and youth.

### **NEXT STEPS**

Upon Board approval, staff will update related internal processes and procedures. Revised Policies will be distributed to advertising and sponsorship vendors and made publicly available for advertisers on Metro's website.

### **ATTACHMENTS**

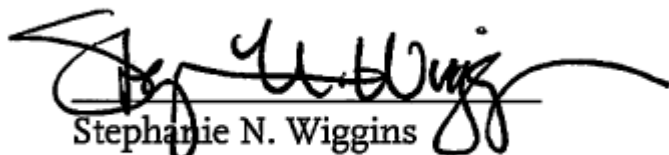
Attachment A - System Advertising Policy 2025

Attachment B - Commercial Sponsorship and Adoption Policy 2025

Attachment C - Policy Change Comparison

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Stephanie N. Wiggins  
Chief Executive Officer



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## **COMMUNICATIONS System Advertising Policy 2025**

(COM 6)

### **POLICY STATEMENT**

The Los Angeles County Metropolitan Transportation Authority (Metro) has determined that allowing commercial advertising to be placed in designated areas on its properties, which includes the Metro bus and rail systems, is a responsible means of generating revenue by maximizing the use of Metro's capital investments. Further, informational advertising on Metro properties is a valuable means for Metro and other governmental entities to communicate with the public and advance specific governmental purposes.

### **POLICY PURPOSE**

To clearly define the use of Metro's advertising space by fulfilling significant organizational goals as provided in this policy.

### **APPLICATION**

This policy applies to all Metro employees, Board Members, consultants, vendors, and Metro system advertisers.

\_\_\_\_\_  
APPROVED: County Counsel or N/A

\_\_\_\_\_  
Department Head

\_\_\_\_\_  
ADOPTED: CEO

Effective Date: \_\_\_\_\_

Date of Last Review: \_\_\_\_\_



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## **COMMUNICATIONS Metro System Advertising**

(COM 6)

### **1.0 GENERAL**

The display of commercial advertising to generate revenue carries with it a responsibility to protect Metro from potential litigation, preserve its nonpublic forum status, and to recognize the potential association of advertising images with Metro services. The agency addresses these issues through the responsible, consistent, and viewpoint neutral application of its advertising policy.

The policy's purpose is to clearly define the use of Metro's advertising space fulfilling the following important goals:

- Maximize advertising revenue and preserving the value of the advertising space;
- Maintain a position of neutrality and preventing the appearance of favoritism or endorsement by Metro;
- Prevent the risk of imposing objectionable, inappropriate or harmful views on a captive audience;
- Preserve aesthetics and avoiding vandalism;
- Maximize ridership and maintaining a safe environment for riders and the public;
- Avoid claims of discrimination and maintaining a non-discriminatory environment for riders;
- Prevent any harm or abuse that may result from running objectionable, inappropriate or harmful advertisements;
- Reduce the diversion of resources from transit operations that is caused by objectionable, inappropriate or harmful advertisements;
- Preserve Metro's business reputation as a professional, effective, and efficient provider of public transit services.

Governmental entities may advance specific governmental purposes through advertising under this policy.

Los Angeles County contains significant tourism destinations accessible through public transportation, which may be promoted under this policy.

Metro uses designated areas on its properties to directly provide transit and agency information to the public.

### **2.0 POLICY**

#### **2.1 Permitted Advertising Content**

##### Commercial Advertising

Metro will only accept paid commercial advertising that proposes, promotes, or solicits the sale, rent, lease, license, distribution or availability of goods, property,



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## **COMMUNICATIONS Metro System Advertising**

(COM 6)

products, services, entertainment, or events that anticipate an exchange of monetary consideration commercial or proprietary interest, including advertising from tourism bureaus, chambers of commerce or similar organizations that promote the commercial interests of its members, and charter and private education institutions.

- A. Metro's policy that it will only accept commercial advertising applies regardless of whether the proponent is a commercial or nonprofit organization. To determine whether an ad qualifies as commercial, Metro considers the following non-exclusive factors: (a) whether a commercial product or service is apparent from the face of the ad; (b) whether the commercial product or service is incidental to the public interest content of the ad; (c) whether the sale of commercial products or services is the primary source of the advertiser's total annual revenue; and (d) whether the advertiser is a for-profit entity.
- B. This exclusion does not apply to Government Advertising below.

### Public Service Announcements From Non-Profits.

Metro will accept paid promotional advertising by a nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code the sole expressed purpose of which relates directly to: (1) the availability of services to prevent or treat illnesses; (2) the availability of education or training services; (3) the availability of services or programs that provide support to low income citizens, senior citizens or people with disabilities; or (4) patronage of museums that offer free admission to the public.

### Government Advertising

Metro will accept advertising that advances specific government purposes from a federal, State of California, or Los Angeles County local governmental entity. The governmental entity must be clearly identified on the face of the advertising.

## **2.2 Prohibited Content and Subject Matter**

Metro retains content control of advertising on the transit system by restricting content; content described below may not be displayed on the Metro transit system and/or agency assets:

- **Alcohol and Spirits** – Imagery of open or closed alcoholic containers or consumption of any alcohol and spirits is prohibited and may not be shown. Services and events for food and beverage, including alcohol and



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## COMMUNICATIONS

### Metro System Advertising

(COM 6)

wine events may be shown if the image is compliant with the restrictions stated herein.

- **Tobacco, Vaping and Cannabis** – Imagery that portrays, simulates, or encourages recreational smoking, vaping, or ingesting of tobacco, cannabis, or similar products is prohibited. Services and events for cannabis products, services, and events are prohibited and may not be shown.
- **Illegal Activity** – Content that promotes or relates to an illegal activity
- **Violence** – Images, copy or concepts that promote guns/firearms or gun violence, or that depict weapons or other devices in an act of violence or harm on a person or animal, or contain any material that incites or encourages, or appears to incite or encourage, violence or violent behavior.
- **Obscene Matter** – Obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.
- **Indecency** – Images, copy or concepts that describe, depict, suggest or represent sexual or excretory organs or activities in a manner that a reasonably prudent person, knowledgeable of Metro's ridership and using prevailing community standards, would find inappropriate for the public transit environment, including persons under the age of 18.
- **Adult Entertainment and Content** – Content that promotes or displays images associated with adult bookstores, video stores, dance clubs, or other adult entertainment or sexually-oriented establishments, telephone services, internet sites, films, video games, escort services, etc.
- **Adult Rated Media** – Adult/mature rated films, television, video games, or theatrical presentations, such as adult films rated "X" or "NC-17" or video games rated "AO."
- **Profanity** – Contains any profane language.
- **Political Speech** – Advertising that promotes or opposes (a) a political party; (b) any person or group of persons holding federal, state or local government elected office; (c) the election of any candidate or group of candidates for federal, state or local government offices; or (d) initiatives, referendums or other ballot measures.



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### Metro System Advertising

(COM 6)

- **Public Issue Speech** – Advertising that primarily expresses or advocates an opinion, position or viewpoint on a matter of public debate about economic, political, public safety, religious or social issues. This exclusion does not apply to Government Advertising under 2.1.
- **Religion** – Promotes or opposes any identifiable or specific religion, religious viewpoint, belief, message, or practice.
- **Unsafe Transit Behavior** – Contains images, copy or concepts that depict unsafe behaviors aboard buses or trains, or in or around transit stations or railroad tracks.
- **Injurious to Metro's interests** – Promotes products, services or other concepts that are adverse to Metro's commercial or administrative interests. Prohibited content includes but is not limited to images, copy or concepts that actively denigrate public transportation.
- **Metro's Endorsement** – Contains images, copy or concepts that inaccurately state or imply Metro's endorsement of the subject of the advertisement.
- **Harmful or Disruptive to Transit System** – Contains material that is so objectionable as to be reasonably foreseeable that it will result in harm to, disruption of, or interference with the transportation system.
- **Symbols** - Miscellaneous characters, images or symbols used as a substitute for prohibited content.

#### 2.3 Metro's Government Speech

The provisions of this policy do not apply to Metro's government speech, which includes advertising sponsored solely by Metro or by Metro jointly with another entity to communicate any message deemed appropriate by Metro.

#### 2.4 Metro's Right of Rejection

Metro, and its advertising vendors, will screen and review all advertising content on the transit system, and in all contracts Metro reserves the right to:

- Reject any advertising content submitted for display on its properties; and/or
- To order the removal of any advertising posted on its properties.



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## **COMMUNICATIONS Metro System Advertising**

(COM 6)

Decisions regarding the rejection or removal of advertising are made by the Metro Marketing Executive or their designee based upon the criteria in this policy.

**Disclaimer of Endorsement: Metro's acceptance of an advertisement does not constitute express or implied endorsement of the content or message of the advertisement, including any person, organization, products, services, information or viewpoints contained therein, or of the advertisement sponsor itself.**

### **2.5 Informational Advertising**

Metro has several unique distribution channels at its disposal for disseminating transit information for which it incurs no “space” cost (the fee charged for advertising space). Informational advertising space is limited and reserved exclusively for Metro transit information. All messages and materials distributed by this means are prepared, approved and/or authorized by the Marketing Executive or their designee.

Acceptable information for these distribution channels is categorized as follows:

#### **2.5.1 Transit Information**

Transit information includes, but is not limited to: campaigns promoting ridership, service features and changes, fare information and changes, safety and security messages, maps and explanations of related transportation services.

#### **2.5.2 Cross-Promotional Information**

On an occasional basis and only when space is available, Metro's Marketing Department may use Metro's distribution channels to participate in cross-promotional opportunities (a cooperative partnership in which Metro and one or more entities work together with the goal of jointly promoting their respective services) that offer a direct opportunity to promote use of transit. Any materials distributed for this purpose must prominently include promotion of Metro services (e.g., Metro Ridership Promotion such as, “Go Metro to CicLAvia”). Metro is prohibited by law from donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Marketing Department, provide





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## **COMMUNICATIONS**

### **Metro System Advertising**

(COM 6)

an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.).

#### **2.5.3 “Added Value” Materials**

On an occasional basis and only when space is available, Metro’s Marketing Department may use Metro’s distribution channels to provide “added value” materials to its riders. Such materials must present a specific and time-dated offer uniquely provided for Metro bus and Metro Rail riders (generally a money-saving discount) in which transit can be used to access the redemption point. Any materials distributed for this purpose must prominently include the Metro logo and other wording approved by Metro’s Marketing Department to indicate that the offer is specifically designed for Metro bus and Metro Rail riders. Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro’s Marketing Department, provide an equivalent or greater value in cross-promotional benefits (e.g., advertising space, editorial space, etc.). Any added value programs must be approved by the Marketing Executive, or their designee based upon the criteria in this policy statement.

## **2.6 Advertising Vendors**

Metro may contract with outside vendors to sell and display advertising on its transit system and related properties for the sole purpose of generating revenue. Vendors for such contracts are solicited through competitive bids, which must conform to Metro’s procurement procedures and be approved by Metro’s Board of Directors.

Such agreements may dedicate up to, but no more than 90% of the available space covered by the contract for commercial advertising, reserving the remaining available space for Metro’s own transit-related information. This percentage of available space, and the remaining percentage of space held for Metro’s information, will be negotiated as part of any contract with an outside advertising space vendor.

## **2.7 Placement of Advertising**

Locations for commercial advertising may include, but are not limited to: the exterior and interior of all Metro’s transit fleet (buses, trains, rideshare cars, and



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## **COMMUNICATIONS**

### **Metro System Advertising**

(COM 6)

non-revenue cars); the exterior and interior of all Metro's stations and hubs (rail and bus stations, bus stops, and mobility hubs); digital channels (agency websites, mobile apps, and social media channels); printed materials (brochures, timetables); Metro property (buildings, facilities and parking structures); and any other location approved by Metro's Marketing Executive. Metro and its advertising contractors will obtain necessary permits as required to comply with local jurisdiction. Specific locations and properties may be exempt and excluded, in which case Marketing will coordinate with the agency project manager as advertising inquiry arises.

#### **2.7.1 Graphics on Window and Glass**

To ensure the safety and security of passengers, operators and law enforcement officers, advertising displays which employ window graphics are restricted from fully obscuring the window surfaces on any Metro vehicles (trains, buses, ride share, and non-revenue vehicles). The front window, however, may not be covered in any manner.

If an advertising display employs window graphics, the materials must be perforated with a 50/50 coverage-to-visibility ratio. The perforated material applies to all glass surfaces such as vehicle windows, buildings windows, and glass elevators. Metro may provide materials and technical specifications to each vendor.

### **3.0 PROCEDURES**

#### Action By:

Advertising Vendors

#### Action:

Sell, post and maintain all commercial advertising on Metro properties. All proposed transit advertising must be submitted to the Advertising Vendor for initial compliance review. The Advertising Vendor will perform a preliminary evaluation of the submission to assess its compliance with this policy. If, during its preliminary review of a proposed advertisement, the Advertising Vendor is unable to make a compliance determination, it will forward the submission to the Metro's advertising panel for further evaluation. The Advertising Vendor may at any time discuss with the entity proposing the advertisement one or more revisions to an advertisement, which, if undertaken, would bring the advertisement into conformity with this Advertising



**Metro**

## **COMMUNICATIONS**

### **Metro System Advertising**

(COM 6)

Policy. The Advertising Vendor will immediately remove any advertisement that Metro directs it to remove.

Metro Advertising Panel	Metro's advertising panel will review the proposed advertisement for compliance with the guidelines set forth in this policy and will direct the Advertising Vendor as to whether the proposed advertisement will be accepted. In the discretion of the advertising panel, any proposed transit advertising may be submitted to Metro's Marketing Executive for review.
Metro's Marketing Executive	Metro's Marketing Executive or designee will conduct a final review of proposed advertising at the request of Metro's advertising panel. The decision of the Marketing Executive to approve or reject any proposed advertising shall be final.
Metro Advertising Panel and Marketing Executive	Metro's advertising panel or the Marketing Executive may consult with other appropriate Metro employees, including Metro's legal counsel, at any time during the review process.

#### **4.0 PROCEDURE HISTORY**

03/23/00	Original policy adopted by Metro's Board of Directors.
01/27/05	Policy amended by Board of Directors to permit advertising on Metro Rapid vehicles.
09/26/08	Biennial review and update. Policy updated to include Board of Directors amendment to permit all forms of non-traditional advertising displays as well as advertising on rail car exteriors and other types of transit service with the exception of Orange Line vehicle exteriors.
6/27/13	Content Guidelines amended by Metro's Board of Directors to add an exception for non-profit organizations pertaining to the non-commercial advertising prohibition, and to expand language regarding various other types of prohibited content.



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## **COMMUNICATIONS Metro System Advertising**

(COM 6)

- 12/5/13 Content guidelines amended by Metro's Board of Directors to prohibit messages that are injurious to Metro's interests and to clarify restrictions regarding vulgarity.
- 02/23/17 Review and update: Board approved, Feb. 23, 2017 (Item 40). Streamlined policy for an easier read; removed defined vinyl window graphics prohibitions: now just may not fully wrap a bus; added definitions; clarified outreach channels; may advertise on Orange Line vehicles; added items to advertising ban; removed "wine festival" advertising allowance; advertising may not engage in public debate.
- 04/27/2023 Significant Policy changes and edits including Elimination of government sponsored ad exception for non-commercial ads (Exception 2); clarification that Commercial Advertising is the only permitted form of advertising, unless advertiser is a federal, state, LA County governmental entity, or Metro; inclusion of: Revised Policy Purpose statement and objectives and Disclaimer of Endorsement; excludes advertising that "expresses or advocates an opinion, position or viewpoint on a matter of public debate"; and general reorganization and clarification.
- 09/24/2024 Significant Policy changes and edits including Elimination of government sponsored ad exception for non-commercial ads (Exception 2); clarification that Commercial Advertising is the only permitted form of advertising, unless advertiser is a federal, state, LA County governmental entity, or Metro; inclusion of: Revised Policy Purpose statement and objectives and Disclaimer of Endorsement; excludes advertising that "expresses or advocates an opinion, position or viewpoint on a matter of public debate"; and general reorganization and clarification.
- 11/21/2024 The addition of a new category, Public Service Announcements (PSAs) from nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code the sole expressed purpose of which relates directly to: (1) the availability of services to prevent or treat illnesses; (2) the availability of education or training services; (3) the availability of services or programs that provide support to low income citizens, senior citizens or people with disabilities; or (4) patronage of museums that offer free admission to the public. Clearly stating education institutions and museums are permitted.

# Commercial Sponsorship and Adoption Policy 2025

## **POLICY STATEMENT**

Commercial Sponsorship and Adoption is a form of advertising in which entities will compensate Metro in order to be associated with certain Metro facilities, services, programs, or events. Compensation to Metro can include but is not limited to: monetary payments; resources and finance; payment-in-kind; value-in-kind to develop new facilities, services, programs, or events; or, funding to operate and enhance existing facilities, services, programs, or events.

Through implementation of the Commercial Sponsorship and Adoption Policy (“Policy”), Metro seeks to establish guidelines to execute a responsible and consistent process regarding Sponsorship and Adoption business activities. Metro’s Communications department administers the Commercial Sponsorship and Adoption Program (“Program”) as part of its overall responsibility of revenue-generating advertising and Metro’s overarching goal of partnering with businesses on activities that can increase mobility and brand awareness for customers in the Los Angeles region.

As sponsorship is a form of advertising, the Program will adhere to Metro’s System Advertising Policy (COM 6) and apply the same content restrictions in considering sponsors’ core business, brand, and services. Commercial Sponsorship and Adoption may impact Metro facilities, services, programs, amenities, or events. As Metro facilities, services, programs, and events have already been named, the program will also adhere to Metro’s Property Naming Policy (COM 11) and apply the same public outreach processes and principles pertaining to area location, neighborhood identity and system legibility in considering sponsors’ core business, brand, and services.

## **PURPOSE**

Through implementation of this Policy, Metro seeks to establish guidelines regarding Commercial Sponsorship and Adoption of Metro services, facilities, amenities, programs, and events.

## **Goals and Principles**

This Policy will set direction for how Metro plans and implements Commercial Sponsorship and Adoptions on the Metro system. Specific Program goals include, but are not limited to:

- **Generate long-term revenues to support agency programs and initiatives**

Metro has the fiscal responsibility to maximize the utilization of available resources effectively and efficiently to create long-term, agency-generated revenues. Furthermore, diversifying Metro's revenue sources prepares the agency for future economic shortfalls and unexpected agency impacts.

- **Enhance service and/or amenities that improve customer experience**  
Partnerships with local businesses and entities may offset costs of desired customer amenities, such as technology (Wi-Fi, mobile charging stations), commerce (vending kiosks, retail), and convenience (food trucks, parcel pickup). These partnerships allow Metro to focus on operating a world-class transit system while specialist(s) provide amenities enhancing the customer experience.
- **Position corporate social responsibilities towards equity-focused communities**  
Metro can create more opportunities to promote small, disadvantaged, and disabled veteran business enterprises through commercial programs by allowing them involvement in the system. Concurrently, corporate entities may provide equity opportunities to communities through Metro's program.

## PROCESS AND PROCEDURE

### Eligible Agency Assets

Metro is the transportation planner and coordinator, designer, builder, and operator of a large and expanding transit system. The infrastructure capital investment and other assets are significant within Metro's county-wide system of bus, rail, and other services; property portfolio; numerous facilities; programs and events. The various facilities, programs, and services that may be eligible for sponsorships and adoption are:

- **Facilities** – Any rail station or bus stop, parking lots and parking structures, regional facilities, maintenance buildings and other structures, Metro headquarters building, and any other property owned, leased, managed, or operated by Metro. Example facilities include Pico Station, Sierra Madre Villa parking structure, and El Monte bus station.
- **Transit Services** – Any light & heavy rail lines, bus service lines & routes, transitway service lines & routes, and any mode of transit service owned, leased, managed, or operated by Metro. Example transit services include A Line, E Line, and Dodgers Stadium Express.
- **Programs** – Selected established Metro-operated effort/initiative for the benefit of customers and communities that Metro serves, generally in the form of customer

service actions and functions. Example programs include Freeway Service Patrol and Metro Micro.

- **Events** – Selected one-time, seasonal, or annual event initiated, partnered with, coordinated by, or conducted by Metro. Example events include Older Adult Expo and Faith Leaders Roundtable.

### **Program Models**

Metro will engage in two types of program models, Adoptions and Sponsorships. Within these two models, proposals may include customized packages of varying Customer Experience techniques and tactics; combine financial payments and value-in-kind amenities; or only provide financial payments or value-in-kind amenities. Metro defines amenities as selected resources, features, or utility that may provide additional enhancement to an established Metro facility, station, or stop. Examples amenities may include technologies such as mobile data and Wi-Fi services, commerce such as retail and vending machines, and convenience such as restrooms.

- **Adoption** - A partnership between Metro and a third party, which provides benefit to Metro riders in the form of sponsored amenities, services, equity opportunities, and customer experience improvements. In an Adoption, third parties may provide resources and/or financing, payment-in-kind, or value-in-kind to develop operating or new facilities, services, programs, or events. Examples: providing free Wi-Fi to a particular station, funding additional maintenance to a particular station.
- **Sponsorship** - A partnership between Metro and a third party, which provides benefit to Metro in the form of financial payments - revenues from sponsorships may be directed towards Metro programs and initiatives. In a Sponsorship, a third party may provide resources and funding, payment-in-kind, or value-in-kind to develop operating or new facilities, services, programs, or events. Examples: temporary station name take-over, long-term media buyouts of a particular station or facility.

### **Terms and Durations**

Sponsorships and Adoptions can take on various forms of advertising in which companies contract with Metro to associate their name, identity and branding with facilities, services, programs or events. Metro may engage in Temporary and Long-Term Sponsorships/Adoptions that provide value and benefit both parties.

- **Temporary** is defined as any Sponsorship/Adoption/Advertising activity lasting up to eighteen months. All temporary commercial activity is within CEO's approval authority. However, any temporary activity affecting facility/station/service names and any short-term renaming/co-naming requires Board notification via board box

memo.

- **Long-term** is defined as any Sponsorship/Adoption/Advertising activity lasting greater than nineteen months with a maximum length of fifteen years. All long-term commercial activity require Board action.
- **Station Renaming** is defined as any Sponsorship/Adoption/Advertising activity that requires the renaming of a facility or station as part of its sponsorship plan; in addition, the renaming activity will impact the facility's official and operational name. Additive naming techniques such as 'Home of' or 'Presented by' that do not impact official and operational name, but may impact façade presentation, are also acceptable. Long-term station renaming requires a minimum five-year commitment to a maximum length of twenty years.

### **Eligibility and Criteria**

In line with Metro's System Advertising Policy (COM 6), business entities selling products or services in the prohibited categories will not be considered for participation in the Program including Alcohol, Tobacco and Electronic Cigarettes, Adult Entertainment and Content, Arms/Guns and Weapons, Political Parties, Political Groups, Political Organizations, and Political Candidates or Campaigns, causes (including Religious Groups and Religious Associations, social advocacy groups, lobbyist, etc), or any other category prohibited by COM 6.

Metro shall consider Sponsorships and Adoptions with qualified entities meeting these criteria:

- Businesses already established in the U.S. or have fulfilled all legal requirements and compliance to establish a business within the United States;
- Businesses must establish current financial stability as well as financial stability for the five years prior to proposal submission;
- Businesses with current responsible practices and positive business history within the last five years prior to proposal submission;
- Businesses with satisfactory record of contractual performance within the last five years prior to proposal submission;
- Businesses must not have been awarded a Metro contract as a prime contractor six months prior to proposal submittal. Businesses will also not be considered for Metro contract as a prime contractor six months following proposal submittal.

### **Proposal Review Committee**



A Proposal Review Committee will be established to review and vet each proposal submitted to the agency. The Proposal Review Committee will be managed by Customer Experience with concurrence from the Chief Customer Experience Officer, or their designee, and will be composed of stakeholder departments to provide feedback and advisory recommendations for Board review and approval. Committee members may include, but are not limited to the following:

- **Compliance Panel** - The Compliance Panel ensures interested sponsors are in compliance with Metro policies and neither discriminate nor pose a conflict of interest. The Compliance Panel does not score the proposal, instead providing review and comment on the sponsoree, the Compliance Panel may include the Chiefs or their designee from these cabinets:
  - Office of Civil Rights, Race, and Equity
  - Ethics
  - Legal Counsel
  - Vendor/Contract Management
  - Office of Management and Budget
- **Evaluation Panel** - The Evaluation Panel reviews and scores each proposal based on the Evaluation Criteria. The Evaluation Panel may be composed of scoring members, and non-scoring members that provide comments but do not participate in scoring; comments and recommendations are submitted to the CEO and Board for final review and approval, the Evaluation Panel may include the Chiefs or their designee from these cabinets:
  - Customer Experience
  - Countywide Planning
  - Program Management
  - Operations
  - Respective Asset or Program Owner

### **Evaluation and Criteria**

If a business meets all Eligibility and Criteria, Metro will take into consideration the financial offers and implementation proposals. The Proposal Review Committee will score proposals based on the following evaluation criteria:

- Alignment with Metro's existing brand and agency mission, themes, and priorities
- Innovative sponsorship and business plan(s) that address value-transfers and potential customer experience enhancements
- Reach of cross promotion between Metro and Sponsor/Adoptee, providing Equity Opportunity activities for Metro communities and riders

- Financial offer, including total value and duration, payment options, and package offerings
- Determination of conflicts of interest based on other business activities with Metro

### **Corporate Responsibilities**

All costs related to Sponsorship/Adoption activities of an existing facility, service, or program – including, but not limited to, the costs of replacing affected signage and customer information collateral, Metro materials, media materials, and Metro staff labor – shall be borne by the Adoptee/Sponsor.

Metro expects Sponsorship and Adoption partners to remain in good financial stability and to conduct responsible business practices for the duration of granted Sponsorship/Adoption. Metro may terminate granted Sponsorship/Adoption with partners who fails to maintain these financial and business requirements.

All granted Sponsorship/Adoption must respect and adhere to Metro's System Advertising Policy and Metro's Property Naming Policy.

### **Equity Opportunity and Community**

Metro's mission is to provide a world-class transportation system that enhances quality of life for all who live, work and play within LA County. Under its Equity Platform, Metro recognizes that access to opportunities – including housing, jobs, education, mobility, and healthy communities – is critical for enhanced quality of life. Metro also recognizes that vast disparities exist in access to opportunities and strives to identify and implement projects or programs that reduce and ultimately eliminate those disparities.

Sponsors must include Equity Opportunity in each proposal - which will be scored in the Evaluation Criteria; however, sponsors should consider the qualitative engagement rather than the quantitative engagement within their proposal. While Metro sponsorships will vary, all sponsorships must advance Metro's mission by supporting Equity Opportunity to:

- Increased access to opportunities
- Removal of barriers to access
- Partnership with local communities

Acceptable partnerships will vary. Examples include, but are not limited to:

1. Connecting communities to healthy food especially when they lack such options via the provision of gift cards to grocery stores or health snacks at a community event

2. Promoting safety in high injury areas via bike helmet or bike safety light giveaways
3. Supporting community events via hosting a Wi-Fi hot spots or cooling station

**Process and Implementation**

Metro may negotiate Sponsorships and Adoptions directly or contract with outside specialist(s) to liaise, negotiate and manage Sponsorships.

**Metro's Right of Rejection**

Metro and its authorized sponsorship specialist(s) will screen all proposals, Metro reserves the right to reject any Sponsorships submitted for consideration. Decisions regarding the rejection or termination of Sponsorships are made by Metro's Chief Customer Experience Officer or their designee based upon the criteria in this Policy.

**System Integration**

Metro has an established transit system with known nomenclature, customer information, and service names, thus, coordination with stakeholder departments will be critical to:

- Conclude acceptable enhancements to system facilities affecting customer experience - such as station identity and signage wayfinding.
- Establish reasonable implementation schedules and deliverables - such as those affecting operational logistics in stations, trains, and buses; fabrication logistics such as signage; and customer information materials.

**Public Information**

All granted Sponsorship/Adoption are subject to the provisions of the California Public Records Act (California Code Government Code §6250 et seq.), including monies paid to Metro.

## Policy Change Comparison

### System Advertising Policy

CURRENT LANGUAGE	RECOMMENDED CHANGES
<p>Metro will only accept paid commercial advertising that proposes, promotes, or solicits the sale, rent, lease, license, distribution or availability of goods, property, products, services, or events that anticipate an exchange of monetary consideration for the advertiser's commercial or proprietary interest, including advertising from tourism bureaus, chambers of commerce or similar organizations that promote the commercial interests of its members, and museums that offer free admission to the public.</p>	<p>Metro will only accept paid commercial advertising that proposes, promotes, or solicits the sale, rent, lease, license, distribution or availability of goods, property, products, services, <u>entertainment</u>, or events that anticipate an exchange of monetary consideration for the advertiser's commercial or proprietary interest, including advertising from tourism bureaus, chambers of commerce or similar organizations that promote the commercial interests of its members, <u>and charter and private education institutions</u>.</p>
<p>(NEW LANGUAGE)</p>	<p><u>Public Service Announcements From Non-Profits.</u></p> <p>Metro will accept paid promotional advertising by a nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code the sole expressed purpose of which relates directly to: -(1) the availability of services to prevent or treat illnesses; (2) the availability of education or training services; (3) the availability of services or programs that provide support to low income citizens, senior citizens or people with disabilities; or (4) patronage of museums that offer free admission to the public.</p>

## Commercial Sponsorship and Adoption Policy

CURRENT LANGUAGE	RECOMMENDED CHANGES
<p>Temporary – Sponsorship/Adoption/Advertising activity lasting up to ninety consecutive days — temporary commercial activity is within CEO’s approval authority. Contractor shall not allow or authorize any single advertiser to engage in Station Domination of a single station for a period of more than 90 consecutive days. Immediately following the period of Station Domination by an advertiser, said advertiser shall not be permitted to engage in Station Domination of that same station for at least 90 consecutive days.</p>	<p><b>Temporary</b> is defined as any Sponsorship/Adoption/Advertising activity lasting up to <del>ninety consecutive days</del> <u>eighteen months</u>. All temporary commercial activity is within CEO’s approval authority. However, <u>any temporary activity affecting facility/station/service names and any requires Board notification: short-term renaming/co-naming requires Board notification via board box memo. while long-term renaming/co-naming requires Board approval.</u> <del>Contractor shall not allow or authorize any single advertiser to engage in Station Domination of a single station for a period of more than 90 consecutive days. Immediately following the period of Station Domination by an advertiser, said advertiser shall not be permitted to engage in Station Domination of that same station for at least 90 consecutive days.</del></p>
<p>Long-term – Sponsorship/Adoption/Advertising activity lasting greater than ninety consecutive days with a maximum length of 10 years — all long-term commercial activity require Board reviewed and approval. The renaming of a facility or station requires a minimum five year commitment. Additionally, any activity affecting facility/station/service names requires Board notification: short-term renaming/conaming requires Board notification while long-term renaming/co-naming requires Board approval.</p>	<p><b>Long-term</b> <u>is defined as a—ny</u> Sponsorship/Adoption/Advertising activity lasting greater than <del>ninety consecutive days</del> <u>nineteen months</u> with a maximum length of <del>twenty</del><u>10</u> years. <u>—A</u><del>all</del> long-term commercial activity require Board <del>reviewed and approval</del><u>action</u>.</p>
<p>(NEW LANGUAGE)</p>	<p><b>Station Renaming</b> is defined as any Sponsorship/Adoption/Advertising activity that requires the renaming of a facility or station as part of its sponsorship plan; in addition, the renaming activity will impact the facility’s official and operational name.</p>

	<p>Additive naming techniques such as 'Home of' or 'Presented by' that do not impact official and operational name, but may impact façade presentation, are also acceptable. Long-term station renaming requires a minimum five-year commitment to a maximum length of twenty years.</p>
<p><b>Proposal Review Committee</b>  A Proposal Review Committee will be established to review and vet each proposal submitted to the agency. The Proposal Review Committee will be managed by Marketing with concurrence from the Chief Communications Officer and will be composed of stakeholder departments to provide feedback and advisory recommendations for Board review and approval. Committee members may include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• <b>Compliance Panel</b> - The Compliance Panel ensures interested sponsors are in compliance with Metro policies and neither discriminate nor pose a conflict of interest. The Compliance Panel does not score the proposal, instead providing review and comment on the sponsoree, the Compliance Panel may include: <ul style="list-style-type: none"> <li>o Civil Rights</li> <li>o Ethics</li> <li>o Legal Counsel</li> <li>o Office of Inspector General</li> <li>o Vendor/Contract Management</li> </ul> </li> <li>• <b>Evaluation Panel</b> - The Evaluation Panel reviews and scores each proposal based on the Evaluation Criteria. The Evaluation Panel may be composed of scoring members, and non-scoring members that provide comments but do not participate in scoring; comments and recommendations are submitted to the CEO and Board for final review and approval, the Evaluation Panel may include:</li> </ul>	<p><b>Proposal Review Committee</b>  A Proposal Review Committee will be established to review and vet each proposal submitted to the agency. The Proposal Review Committee will be managed by <u>Marketing Customer Experience</u> with concurrence from the Chief <u>Communications Customer Experience</u> Officer, <u>or their designee</u>, and will be composed of stakeholder departments to provide feedback and advisory recommendations for Board review and approval. Committee members may include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• <b>Compliance Panel</b> - The Compliance Panel ensures interested sponsors are in compliance with Metro policies and neither discriminate nor pose a conflict of interest. The Compliance Panel does not score the proposal, instead providing review and comment on the sponsoree, the Compliance Panel may include <u>the Chiefs or their designee from these cabinets</u>: <ul style="list-style-type: none"> <li>o <u>Office of Civil Rights, Race, and Equity</u></li> <li>o Ethics</li> <li>o Legal Counsel</li> <li>o <del>Office of Inspector General</del></li> <li>o Vendor/Contract Management</li> <li>o <u>Office of Management and Budget</u></li> </ul> </li> <li>• <b>Evaluation Panel</b> - The Evaluation Panel reviews and scores each proposal based on the Evaluation Criteria. The Evaluation Panel may be</li> </ul>

<ul style="list-style-type: none"> <li>o Communications (Arts &amp; Design, Community Relations, Marketing, Public Relations)</li> <li>o Countywide Planning (Real Estate, Systemwide Design)</li> <li>o Customer Experience o Equity &amp; Race o Respective Asset or Program Owner</li> </ul>	<p>composed of scoring members, and non-scoring members that provide comments but do not participate in scoring; comments and recommendations are submitted to the CEO and Board for final review and approval, the Evaluation Panel <u>may include the Chiefs or their designee from these cabinets:</u>may include:</p> <ul style="list-style-type: none"> <li>o <u>Communications-Customer Experience</u>(Arts &amp; Design, Community Relations, Marketing, Public Relations)</li> <li>o Countywide Planning-(<del>Real Estate, Systemwide Design</del>) <ul style="list-style-type: none"> <li>▪ <u>Customer Experience</u></li> </ul> </li> <li>o <u>Equity &amp; RaceProgram Management</u></li> <li>o <u>Operations</u></li> <li>o Respective Asset or Program Owner</li> </ul>
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# Amendments to System Advertising Policy & Commercial Sponsorship and Adoption Policy



# Background

In March 2024, OMB held a special Board Budget workshop to present upcoming financial outlook and options to offset budget gaps. The outlook included cost growth drivers and alternatives to address increasing budget costs including opportunities in advertising, sponsorships, and beyond.

- **Staff analyzed tactics including potential Metro policy changes, expansion of practice options, and addressing CA state laws.**
- **Considering timeline and difficulty of potential revenue streams, amending Metro's two commercial policies were deemed prudent for immediate revenue generation opportunities.**

## POLICY HISTORY

- The Advertising Policy was introduced in 2000 and has seen numerous revisions addressing growing agency assets and permissible advertising content. It was most recently amended in 2023 to address non-commercial ad restrictions.
- The Commercial Sponsorship Policy was introduced in 2021 to offset revenue losses brought upon by Covid pandemic – it has not been amended since initial adoption.

# Proposed Policy Amendments

## SYSTEM ADVERTISING POLICY

- **Permit Public Service Announcements (PSAs) from 501(c)(3) Non-Profits:**
  - Ads promoting health or illness prevention, education and training, and community services. Potential revenue increase of \$2 million annually.

## COMMERCIAL SPONSORSHIP POLICY

- **Sponsorship Duration and Scope:**
  - Revise short term definition from 90 days to 18 months.
  - Maximum sponsorship length extended from 10 to 15 years to secure more substantial, long-term funding.
  - Examples of short-term sponsorships include brand-sponsored events or temporary station sponsorships (e.g., 'Home of Kobe Bryant').
- **CEO Approval for Non-Title Sponsorships:**
  - Delegates approval of smaller, short-term sponsorships to the CEO, expediting process from 3 months to 1 month. Allows faster response to new sponsorship opportunities.
  - The Board retains approval authority on all name changes and long-term sponsorships.

# Opportunities, Risks & Concerns

## OPPORTUNITIES

- **Increased Revenue Potential:** Immediate new revenue sources through policy amendments; Total projected increase of \$13.1 million annually.
- **Large Event Revenue Opportunities:** Metro's ad and sponsorship reach can leverage major events like the World Cup, Super Bowl, and Olympics and Paralympics Games.
- **Community Engagement:** Allowing PSAs and non-profit ads could provide riders with valuable information on community services and events.

## RISKS & CONCERNS

- **Transit Agencies National Survey:** Almost all transit agencies permit PSAs advertising on their system with none to little issues impacting customers or the agency.
- **Content Control on Political or Free Speak:** The ad policy's other restrictions are still in place and will continue to reject controversial topics such as political speech, public issue speech, religion, among others.

# Recommendation

**Approve amendment to the System Advertising Policy to allow public service announcements (PSAs) ad content with restrictions.**

**Approve amendment to the Commercial Sponsorship and Adoption Policy to right size short-term and long-term durations and streamline administrative approvals to secure higher revenue commitments and allow faster, flexible sponsorship approvals.**