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

Agenda - Final

Thursday, February 15, 2024

11:00 AM

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(ALSO APPLIES TO BOARD COMMITTEES)

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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.

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Please include the Item # in your comment and your position of “FOR,” “AGAINST,” "GENERAL
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CALL TO ORDER

ROLL CALL

APPROVE Consent Calendar Item: 13.

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR

13. SUBJECT: COPY CENTER EQUIPMENT AND SERVICES 2024-0014

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a five-year, firm-fixed unit rate Contract No. PS110623000 to Canon Solutions America, Inc. to provide copy center equipment and services in a not-to-exceed amount of $1,917,720, effective March 1, 2024, subject to the resolution of protest(s), if any.

Attachments: Attachment A - Procurement Summary
Attachment B - DEOD Summary

NON-CONSENT

9. SUBJECT: 48 BY '28 AND RECIPROCITY 2024-0055

RECOMMENDATION

RECEIVE AND FILE the progress report on the 48 by ’28 8-point Plan and Certification Reciprocity.

Attachments: Attachment A - Motion 24
Attachment B - Metro Contract Financing Assistance Program Flyer
Presentation

(ALSO ON FINANCE, BUDGET, & AUDIT COMMITTEE)

14. SUBJECT: STATE AND FEDERAL REPORT 2024-0052

RECOMMENDATION

RECEIVE AND FILE February 2024 State and Federal Legislative Report.

15. SUBJECT: SOUTHEAST GATEWAY LINE 2023-0735

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to award a cost-plus fixed fee contract, Contract No. AE107133000, for a period of 5 years, with two, 5-year options, to WSP USA, Inc., for Program Management Support Services (PMSS) for the Slauson/A Line to Pioneer segment of the Southeast Gateway Line Project (formerly referred to as the West Santa Ana Branch Transit Corridor) in an amount not to exceed $99,999,105, subject to the resolution of any properly submitted protest(s), if any.

Attachments: Attachment A - Procurement Summary
Attachment B - DEOD Summary
Presentation

16. SUBJECT: MANUFACTURING CAREERS POLICY (MCP) APPLICATION AND ENFORCEMENT ON THE HR5000 ROLLING STOCK CONTRACT 2024-0083

RECOMMENDATION

RECEIVE oral report on the MCP application and enforcement of the new HR5000 contract.

Attachments: Presentation

SUBJECT: GENERAL PUBLIC COMMENT 2024-0077

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

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

Metro

Board Report

File #: 2024-0014, **File Type:** Contract **Agenda Number:** 13.

EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 15, 2024

SUBJECT: COPY CENTER EQUIPMENT AND SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a five-year, firm-fixed unit rate Contract No. PS110623000 to Canon Solutions America, Inc. to provide copy center equipment and services in a not-to-exceed amount of $1,917,720, effective March 1, 2024, subject to the resolution of protest(s), if any.

ISSUE

The existing contract for the lease of high-speed copiers, document finishing equipment, maintenance, and other services will expire on April 30, 2024.

Approval of this Contract will allow for the installation/mobilization period required for the acquisition and installation of the new high-speed copier equipment and the removal of the old equipment.

BACKGROUND

The current contract with Canon Solutions America, Inc. has been in place since October 1, 2018, and the equipment is now outdated, with the period of performance ending on April 30, 2024.

Due to the heavy use of the equipment, it is reaching the expected life cycle replacement, and the new contract will allow Metro to implement new technology and software Managed Print Services (MPS). The MPS monitors the usage of the copiers and addresses malfunctions and required repairs. In addition, it automates orders for replacement parts and supplies. This will allow for efficient management of printing and imaging services.

DISCUSSION

Metro requires high-speed copy machines, laminating equipment, binding, and other finishing equipment to produce a wide range of documents that are required for agency business, including:

- Bus and rail “shake-up” materials
- Board and committee agenda packets

- Budget books
- Bound departmental reports
- Departmental forms
- Large format blueprints and posters
- Procurement IFB and RFP Packages
- Training manuals
- EIR/EIS and other planning documents

Metro's Copy Center produces documents when it is more cost effective and at a higher quality than is possible on convenience copiers. This contract will replace the current contract with Canon Solutions America, Inc.

DETERMINATION OF SAFETY IMPACT

Approval of this Board item will not impact the safety standards for Metro customers and employees.

FINANCIAL IMPACT

Funding of $200,000 for this service is included in the FY24 Budget in cost center 6420 Copy Services within project 100001 General Overhead, account 51205 Rent Office Equipment. Since this is a multi-year contract, the cost center manager and Chief People Officer will be accountable for budgeting the cost in future years.

Impact to Budget

The source of funds for Project 100001 is General Overhead funds, comprised of federal, state, and local funds, which may include Operating-eligible funds.

EQUITY PLATFORM

There are no adverse equity impacts anticipated from this contract award. This will allow continued support of Metro's workforce with printing documents for the agency.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan Goal #5 (Provide responsive, accountable, and trustworthy governance). By continuing to be responsive, accountable, and trustworthy, Metro will build credibility with decision-makers, customers, and employees and be able to perform more effectively to the changing needs of its business practices.

ALTERNATIVES CONSIDERED

One alternative would be to purchase the existing equipment at the current market value and purchase maintenance services and spare parts required to keep the machines operational. This alternative is not recommended because the current equipment will become less reliable as it ages

and the technology will be outdated. This could delay document production, including documents required for high-priority projects.

Another alternative would be to send all high-volume jobs to an outside vendor. Sending all photocopying to an outside vendor would extend the response time for the production of critical documents. This alternative would also require modification of Metro's collective bargaining agreement with Transportation Communications Union (TCU) that represents Copy Center employees who perform this work.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS110623000 with Canon Solutions America, Inc. to provide copy center equipment and services effective March 1, 2024.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by: Yolanda Limon, Manager General Services, (213) 922-6284
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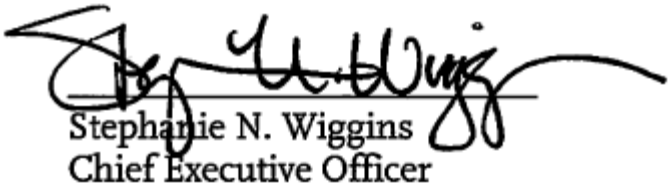
Carolina Coppolo, Deputy Chief Vendor/Contract Management (Interim), (213) 922-4471

Reviewed by: Ilyssa DeCasperis, Chief People Officer (213) 922-3048



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

COPY CENTER EQUIPMENT AND SERVICES/PS110623000

1.	**Contract Number**: PS110623000	
2.	**Recommended Vendor**: Canon Solutions America, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: August 2, 2023	
	B. Advertised/Publicized: August 2, 2023	
	C. Pre-Proposal Conference: August 8, 2023	
	D. Proposals Due: October 16, 2023	
	E. Pre-Qualification Completed: January 10, 2024	
	F. Conflict of Interest Form Submitted to Ethics: October 25, 2023	
	G. Protest Period End Date: February 20, 2024	
5.	**Solicitations Picked up/Downloaded**: 11	**Bids/Proposals Received**: 1
6.	**Contract Administrator**: Antonio Monreal	**Telephone Number**: (213) 922-4679
7.	**Project Manager**: Yolanda Limon	**Telephone Number**: (213) 922-2113

A. Procurement Background

This Board Action is to approve the award of Contract No. PS110623000 to provide high speed/volume copiers and document finishing equipment for Metro's Copy Center for a period of five years. Board approval of contract award is subject to the resolution of any properly submitted protest.

On August 2, 2023, Request for Proposals (RFP) No. PS110623 was issued as a competitive procurement in accordance with Metro's Acquisition Policy and the contract type is a firm-fixed unit rate. The Diversity & Economic Opportunity Department did not recommend a Disadvantaged Business Enterprises (DBE) participation goal for this procurement due to a lack of subcontracting opportunities.

Five amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 3, 2023, added a site visit to Metro's Copy Center located at Metro's headquarters.
- Amendment No. 2, issued on August 17, 2023, extended the deadline to submit questions, the due date to request approved equals, and the proposal due date.
- Amendment No. 3, issued on September 7, 2023, extended the proposal due date.
- Amendment No. 4, issued on September 28, 2023, extended the proposal due date.
- Amendment No. 5, issued on October 9, 2023, revised the equipment introduction date in the evaluation criteria and minimum qualification

requirements, revised the scope of services to simplify some requirements to encourage competition, and extended the proposal due date.

A total of 11 firms downloaded the RFP and were included on the planholders' list. A virtual pre-proposal conference was held on August 8, 2023, with 10 participants in attendance representing 3 firms. There were 40 questions received and Metro provided responses prior to the proposal due date.

One proposal was received from Canon Solutions America, Inc., by the proposal due date of October 16, 2023.

Metro staff conducted a market survey of the firms on the planholders' list to determine why no other proposals were submitted. Responses were received from 5 firms and included taking exception to Metro's termination clause, not being able to meet the solicitation requirements, and the scope of services not being within their area of expertise.

The market survey revealed that the decisions not to propose were based on individual business considerations. Furthermore, the scope of services provided the salient physical, functional and other characteristics of the required high-speed copiers and did not require the use of a specific brand or manufacturer. For off-line document finishing equipment, although a brand or manufacturer was specified, the solicitation allowed proposers to offer "equal" products and included an approval process for proposed alternate finishing equipment. Therefore, the solicitation was determined not restrictive and can be awarded as a competitive award.

B. Evaluation of Proposal

A Proposal Evaluation Team (PET) consisting of Metro staff from General Services, Marketing, and Information Technology Services was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria:

Phase I Evaluation – Minimum Qualification Criteria: This is a pass/fail criteria. To be responsive to the RFP minimum requirements, proposer/s must meet the following:

1. Have four (4) years of experience, within the last six (6) years), in managed print services and related support services equivalent or similar to the services identified in the solicitation.
2. Demonstrated a minimum of two (2) clients within the past three (3) years that it has provided lease and maintenance service agreements for high-speed copiers with specification requirements similar to that required in the scope of services.
3. Be authorized by the original equipment manufacturer (OEM) to service the proposed equipment during the entire term of the contract.

4. All proposed high-speed copiers (excluding offline finishing equipment) must have an introduction date in the United States after January 1, 2015.
5. Have a web-based online reporting and tracking system, Managed Print Services Tool.

The proposer met the RFP minimum requirements and was further evaluated based on the following weighted evaluation criteria:

- Qualifications of the Prime Contractor and the Team Skills and Experience 15%
- Technical and Functional Capability of Proposed Equipment, Software, and Overall Infrastructure 15%
- Understanding of the Scope of Services and Management Plan/Approach 40%
- Price Proposal 30%

The evaluation criteria are appropriate and consistent with criteria developed for similar projects. Several factors were considered in developing these weights, giving the greatest importance to the understanding of the scope of services and management plan/approach.

During the period of October 31, 2023, to December 13, 2023, the PET independently evaluated and scored the technical proposal. The evaluation included an equipment demonstration conducted at the proposer's client site on December 5, 2023, to test the performance and functionality of the proposed equipment. On December 13, 2023, the PET concluded its evaluation and determined Canon Solutions America, Inc. met the requirements of the RFP and is technically qualified to perform the services as outlined in the solicitation.

The following is a summary of the PET scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Canon Solutions America, Inc.**				
3	Qualifications of the Prime Contractor and the Team Skills and Experience	98.87	15%	14.83	
4	Technical and Functional Capability of Proposed Equipment, Software, and Overall Infrastructure	86.67	15%	13.00	
5	Understanding of the Scope of Services and Management Plan/Approach	94.53	40%	37.81	
6	Price Proposal	100.00	30%	30.00	
7	**Total**		**100%**	**95.64**	**1**

C. Price Analysis

The recommended price has been determined to be fair and reasonable based upon the independent cost estimate (ICE), technical analysis, price analysis, and historical data, and fact-finding. The recommended price is 8% lower than the ICE.

Proposer Name	Proposal Amount	Metro ICE	Recommended Amount
Canon Solutions America, Inc.	$1,917,720	$2,078,901	$1,917,720

D. Background on Recommended Contractor

Canon Solutions America, Inc., (Canon), headquartered in Melville, New York, is a wholly owned subsidiary of Canon U.S.A., Inc. It has been in business since 1974 and provides digital print technologies, large-format printing solutions and document management services. Canon has four local sales/service offices located in Glendale, Long Beach, Ontario and Irvine. In addition, it has a US based Help Desk Call Center that covers a wide spectrum of hardware, software, network connectivity, application, and workflow issues. Southern California clients include Redondo Beach Unified School District, the Counties of San Francisco and Ventura, and the City of San Francisco.

Canon's proposed Project Manager has 30 years of experience in the industry and focuses on government and education accounts in Southern California.

Canon currently provides lease and maintenance of high-speed copiers and equipment for the Metro Copy Center, and performance has been satisfactory.

DEOD SUMMARY

COPY CENTER EQUIPMENT AND SERVICES / CONTRACT NO. PS110623000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) participation goal for this procurement due to a lack of subcontracting opportunities. Canon Solutions America, Inc. did not make a commitment.

B. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

C. Living Wage and Service Contract Worker Retention Policy Applicability

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

D. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

E. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of $2.5 million.

Los Angeles County
Metropolitan Transportation
Authority
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Board Report

File #: 2024-0055, **File Type:** Motion / Motion Response **Agenda Number:** 9.

FINANCE, BUDGET, AND AUDIT COMMITTEE
FEBRUARY 14, 2024
EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 15, 2024

SUBJECT: 48 BY '28 AND RECIPROCITY

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the progress report on the 48 by '28 8-point Plan and Certification Reciprocity.

ISSUE

On July 27, 2023, the Board passed Motion 24 by Directors Hahn, Dupont-Walker, Solis, Butts, and Sandoval requesting progress updates on the following: a) implementing the initiatives laid out in the "48 by '28 Plan" to increase small and disadvantaged business participation; b) recommendations included in the Office of the Inspector General (OIG) survey of small business enterprise certification programs; and c) developing an annual, fiscal year-end report on the agency's progress toward reaching the 48% target by 2028. This report is a progress update in response to Motion 24 (Attachment A).

BACKGROUND

With the passage of Measure R and Measure M, Metro has undertaken a historic infrastructure capital program that provides numerous opportunities for businesses across the region to compete for projects that create thousands of jobs. Increasing the percentage of transportation dollars that remain in the region and within economically and socially disadvantaged communities is vital to LA County's post pandemic recovery and aligns with the Board-Approved Equity Platform.

In May 2022, the Board adopted the 48 by '28 8-point plan of eight new initiatives aimed at achieving a 48% aspirational target of small business participation on Measure R and Measure M funded expenditures by the 2028 Games. Through partnership with local jurisdictions, Metro seeks to increase the percentage of transportation dollars that remain in the region and within economically and socially disadvantaged communities.

In July 2022, Metro's OIG completed its draft report on the Survey of Small Business Enterprise (SBE) Certification Programs and Exploring Opportunity for Reciprocity. The OIG report discussed

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ongoing efforts to assist Metro in improving the efficiency and effectiveness of operations and provided recommendations that may improve the effectiveness of Metro's SBE Program. Metro's management responded to the OIG report in September 2022.

In July 2023, further action was taken related to the implementation of the previous initiatives and recommendations, as well as direction to report back on progress.

DISCUSSION

Metro staff have continued to advance the initiatives laid out in the 48 by '28 Plan, as well as to leverage partnerships to maximize opportunities for small businesses to participate on Metro contracts by expanding and increasing the pool of certified firms through certification reciprocity with other jurisdictions. Motion 24 further reinforced the importance of these efforts with specific actions cited.

Below is an update on this effort. Items A, B, and C directly correlate to Motion 24, demonstrating Metro's commitment to prioritize the small business community's concerns about increasing small business growth and capacity.

A. Implementing the Initiatives Laid Out in the "48 by '28 Plan" to Increase Small and Disadvantaged Business Participation in Metro Contracts.

Metro has commenced action on all eight (8) Initiatives in the Plan. This progress report covers activity from May 2022 through October 2023. Each initiative is summarized below:

1. Roll-Out 15-Day Pay Initiative for Small Business Enterprise (SBE) as Primes - Launched January 16, 2024:

Metro has made significant progress in rolling out the 15-Day Pay Initiative as an incentive to help mitigate cash flow constraints that many small businesses experience. Vendor Contract Management developed policy guidelines and collaborated with the Accounting Department to establish the process to implement this policy. The 15-Day Pay Initiative applies to non-federally funded negotiated and competitive low-bid procurements and will allow Metro SBE certified firms who are awarded a new contract as a prime contractor to receive expedited payment terms, net-15, instead of the standard net-30 payment terms. Metro presented this new Initiative to the Transportation Business Advisory Council (TBAC) and conducted a series of MetroConnect workshops in advance of the launch. Metro has targeted May 1, 2024 to launch expansion of the 15-Day Pay Initiative to DBE primes and SBE firms awarded a contract under the Small Business Prime (Set-Aside) program on FTA federally-funded solicitations.

2. Explore the feasibility of Increasing the SBE Certification Personal Net Worth (PNW) Cap and a Potential SBE Certification Reciprocity with the Los Angeles Unified School District (LAUSD):

Personal Net Worth (PNW)

Metro's SBE certification program, which mirrors the Disadvantaged Business Enterprise (DBE) Program, is considered the gold standard certification in California. On July 21, 2022, USDOT issued a Notice of Proposed Rulemaking, which is the first-time changes have been proposed to the DBE program since 2014. One of the primary components proposed is an increase in the PNW limit from $1.32 million to $1.6 million, representing an 8.25% increase. USDOT is also proposing an automatic PNW increase every 5 years based on Federal Reserve data. Additionally, USDOT has proposed removing the following from the PNW calculation: retirement assets, value of applicant firm, equity in personal residence, and consideration of state marital/community property law. Metro submitted comments on the proposed rule in favor of the changes. Metro recognizes this as a critical area to retain, expand, and increase the pool of eligible DBE and SBE firms for Metro and regional contracting. Metro is awaiting a positive response from USDOT on the matter and will move quickly to implement changes to Metro's DBE and SBE certification guidelines and notify the small business community of such program improvements. To date, USDOT has not issued a final rule on the proposed DBE Program rule changes.

Reciprocity

In seeking potential SBE reciprocity with the Los Angeles Unified School District, Metro reviewed LAUSD's SBE program. While LAUSD accepts Metro's SBE certification, LAUSD's own SBE certification process is through the State of California Department of General Services (DGS), which is a self-certification that does not have a vetted application verification process and does not consider PNW. Since Metro's SBE program has a PNW requirement and a formal process that verifies applicant information, reciprocity with LAUSD is not proceeding at this time. For more information on certification reciprocity, see Item C.

3. Coordination of Efforts with the Los Angeles Area Chamber of Commerce OneLA Collaborative:

In support of the Los Angeles Area Chamber of Commerce OneLA Collaborative (OneLA), DEOD conducted planning sessions with representatives from the Chamber to find ways to assist and encourage OneLA participants to apply for certification with Metro. The Certification Unit established a mechanism for granting OneLA graduate firms expedited certification, reducing the application processing time from 90 days to 30-45 days. Additionally, in June

2023, Metro's Certification team conducted a technical workshop for LA Chamber and OneLA cohort members. In FY24, Metro will continue to identify opportunities to collaborate with LA Chamber and OneLA cohorts for future seminars.

4. Enhancing the Reach of Metro's Small Business Outreach Efforts by Advertising Metro Events on the City of Los Angeles' RAMP Portal:

The City of Los Angeles created a new, comprehensive web-based portal, Regional Alliance Marketplace for Procurement (RAMP), for the regional vendor community. In August 2023, Metro staff began submitting MetroConnect outreach events for inclusion in the RAMP newsletter. Metro events are included to reach a greater number of firms, as the goal of RAMP is to provide a one-stop regional business marketplace. Metro will continue to share event information and look for ways to utilize the platform.

5. Engage Local Return and Transit Operators:

As required in the respective adopting ordinances, Local Return funds are allocated and distributed monthly to Local Return agencies and Transit Operators (local jurisdictions) on a "per capita" basis by Metro. To extend the 48 by '28 Plan regionally, Metro has begun to explore the opportunity to partner with local jurisdictions to increase the percentage of sales tax dollars available for SBE contracting opportunities to build momentum toward post pandemic recovery within the region. Prior to the Board approving the program, Metro staff engaged local jurisdictions to determine how many agencies have an SBE Program. It was determined from 65 responses that approximately 15% have a SBE Program and 85% do not. Metro also provided its certification database link to identify SBE firms.

In coordination with Local Programming within Countywide Planning & Development, DEOD issued a second survey to the local jurisdictions in August 2023. The survey included 12 questions. The first four questions focused on collecting agency contact information and included the link to Metro's certification database. The remaining questions focused on gathering data specific to the local jurisdiction's use of Local Return funds and how Metro can further assist with outreach to the small business community. The survey received 57 responses. Additionally, Metro staff attended the September meeting of the Local Transit Systems Subcommittee (LTSS) to provide an overview of the Plan and purpose of the survey.

Key findings from the survey are summarized below:

2023 Survey Results:

- 93% of survey respondents indicated that the local jurisdiction received Local Return funds from July 1, 2022 - June 30, 2023.
- 30% of survey respondents indicated the local jurisdiction awarded contracts to SBE firms with Local Return funds.
- 18% of survey respondents indicated they utilize Metro's certification database as a tool

to identify SBE firms for local return contracting opportunities.

- More than 65% of survey respondents lack tools to track Local Return funds awarded to SBE firms.
- Survey respondents were asked to identify the categories for which Local Return funds were used. In summary, the top three responses among respondents were: Construction (29%), Operations (29%) and Professional Services (16%). The remaining 26% were a combination of all three.

When asked how Metro can provide support to increase regional SBE participation on Local Return funded contracts, top responses included: providing a link to Metro's SBE database; instructions on how to utilize SBE lists; hosting a webinar on how to use SBE databases to identify SBEs for opportunities; ways to include SBEs in larger contracts; training and/or workshops; and software and tools for tracking SBE awards and payments. Based on this feedback and survey results, it is apparent that more education is needed about the benefits of implementing a SBE Program and dialogue to further engage local jurisdictions to advance small business strategies regionally.

Over the FY24 period, Metro will continue its efforts to educate the local jurisdictions about outreaching to and engaging with SBE firms on Local Return funded contracts. This will include the development of a workshop/ webinar focusing on utilization of the database, how to identify SBE firms for specific contracting opportunities, and an overview of Metro's certification programs. Knowing that some local jurisdictions have their own small business programs or may need technical assistance, staff will work to develop a tool to assist local jurisdiction with tracking SBE spend with Local Return funds for reporting over the next six years.

6. Enhance Capacity Building and Access to Capital- Launched in September 2023:

Metro understands the significant financial burden small businesses encounter with cash flow. The Contract Financing Assistance Program (CFAP) was launched and presented by Metro staff and Merriweather & Williams Insurance Services, Metro's Bond Program Administrator, at the September 2023 TBAC monthly meeting. The CFAP, a resource through Metro's Contractor Development and Bonding Assistance Program, will extend contract financing to certified SBE, DBE and Disabled Veteran Business Enterprise (DVBE) firms awarded or currently performing on Metro construction and construction professional services related contracts, either as direct contractors to Metro or as subcontractors to Metro primes.

The CFAP uses awarded contracts as collateral to advance contract specific funding to program enrolled certified firms. As such, funding is not based on the strength of a contractor's financials or their credit but relies upon contract progress payments as the source to repay advanced contract funding. These funds are exclusively used to fund contract specific labor, materials, and other contract specific expenditures in advance of submitting payment

applications and awaiting progress payments. The funding was arranged through Metro's Bonding Administrator in partnership with L.A. based Community Development Financial Institutions (CDFI's) including PACE and Pacific Coast Regional with no financial risk to Metro. The cost of CFAP funding, which includes a loan origination fee and interest charges based on outstanding funds, are borne by the contractor participant at commercially competitive rates. Metro conducted two MetroConnect workshop sessions on October 9th and October 16th, 2023, and will continue to conduct workshop series throughout FY24. The components of the CFAP are live on Metro's Vendor Portal and the Metro CFAP flyer is included as Attachment B to the report.

7. Encourage Support for Federal Program Changes:

Consistent with Board-adopted policies to increase small and disadvantaged business participation, including the Board's adoption of the "48 by '28: Increasing Small and Disadvantaged Business Participation," Metro's federal advocacy in Washington, DC has been supportive of efforts in this regard. Specifically, Metro has been broadly supportive of efforts by the U.S. Department of Transportation to enhance their disadvantaged business enterprises outreach - especially as it relates to highway and transit projects using federal funding. Last year (July 2022), the U.S. Department of Transportation issued a notice of proposed rulemaking focused on enhancing the ability of small businesses to better access federal funding.

Metro will continue to support efforts by the Biden Administration, under the leadership of Secretary of Transportation Pete Buttigieg, to make the small and disadvantaged business programs more equitable and effective. Likewise, Metro has been collaborating with a variety of stakeholders on Capitol Hill, including but not limited to U.S. Senator Alex Padilla's office, regarding efforts to enable businesses owned by socially and economically disadvantaged individuals to fairly compete for contracts and subcontracts being funded by the U.S. Department of Transportation. While opportunities to reform federal transportation programs related to small and disadvantaged businesses may be limited because of political stalemates across Capitol Hill, Metro will continue to explore, with both the Executive and Legislative Branches, policy initiatives to advance our Board-adopted position 48 by '28 Plan.

8. Increase Small Business Program Regional Attainments

Metro awarded $56.8M to small businesses across all SBE programs in FY23. Based on data obtained from the local jurisdictions, through survey results, $14.3M was awarded to small businesses during FY23. The total regional attainment for FY23 was $71,116,702 or 35.41%.

Recognizing that participation by the local jurisdictions is voluntary, in FY24, Metro will continue its ongoing efforts to provide guidance and technical assistance on how to engage with SBE firms for opportunities on Local Return funded contracts to realize year-over-year

improvements in a shared effort to reach the aspirational target.

B. Recommendations Included in the OIG Survey of Small Business Enterprise Certification Programs.

In response to the OIG recommendations, Metro initiated a review of BART's SBE certification program and verification process. Through benchmarking, Metro found that BART's SBE certification process and standards also mirror the DBE program and determined that Metro can accept SBE firms certified by BART to expand the pool of SBE certified firms. Metro and BART are currently working together on the SBE Reciprocity MOU. The proposed recommendation to authorize the CEO to enter into a MOU with BART for certification reciprocity and to make administrative changes to Metro's SBE Program and initiatives that will allow BART SBE certifications to be recognized to meet Metro's SBE contract goals and overall SBE goal will allow Metro to advance this initiative forward with launch on solicitations issued in 4th QTR FY24.

During the FY24 period, staff will reconnect with the City and County of Los Angeles' certification units to ascertain new interest to harmonize SBE programs and collaborate to develop criteria that aligns with and are comparable to Metro's SBE certification requirements. Staff will also continue to lead the dialogue regionally with other agencies to encourage them to use and learn from Metro's SBE program.

Metro performed an extensive review of the DGS' small business certification requirements. DGS's program uses a "self-certification" model, which has no verification checks or controls and does not require applicants to submit documentation supporting their application. Metro's robust verification process ensures that only firms that fully meet the SBE eligibility requirements are permitted to participate as SBEs. The OIG report stated that reciprocity with agencies who accept SBE certification from DGS obstructs Metro from accepting SBE certifications from those agencies, as it would compromise the integrity of Metro's SBE program. Further, the report stated Metro should not engage in SBE reciprocity with agencies who do not have their own formal SBE certification program but instead rely upon the SBE certification program from DGS. Staff agree that a vetted program ensures the integrity of the program and that legitimate SBEs benefit from the opportunities of the program.

Metro will continue to monitor the California DGS' small business certification program in case they make changes. Should DGS revamp their Small Business program, which includes removing self-certification, updating their certification requirements, along with having a thorough vetting process, Metro will reconsider accepting DGS' small business certification.

C. Developing an Annual, Fiscal Year-End Report on the Agency's Progress Toward Reaching the 48% target by 2028.

Below is a fiscal year-end report on Metro's progress toward this objective.

Metro's Small Business Enterprise (SBE) Results

In FY23, Metro awarded $160M in non-federally funded contracts of which 35.41% or $56.8M was awarded to small businesses across all SBE programs, demonstrating a 4.09% increase over FY22. During this same period, Metro paid $1.3B on non-federally funded contracts of which 14.67% or $201M went to small businesses across all SBE programs.

Small Business Regional Results

In the survey, Metro asked the local jurisdictions what amount of total Local Return funds was awarded to SBE firms from July 1, 2022 - June 30, 2023. Metro also asked what percentage of the total Local Return funds were awarded to SBE firms during this same period. However, without knowing the overall total of Local Return funds received by the local jurisdictions, Metro was unable to calculate a percentage of Local Return overall SBE participation. Metro was able to obtain from local jurisdictions that approximately $14.3M was awarded to small businesses during FY23.

Table 1 below shows the total SBE awards in dollars ($71,116,702) for both Metro and the local jurisdictions for FY23. Table 2 below shows the total SBE awards in percentage (35.41%) for both Metro and the local jurisdictions in percentage for FY23.

Table 1

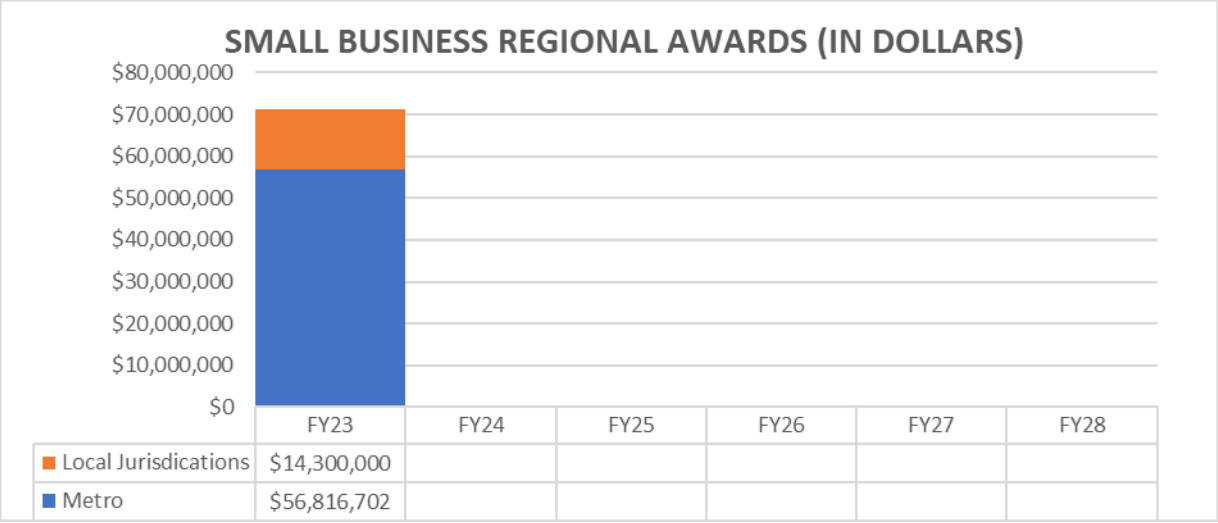
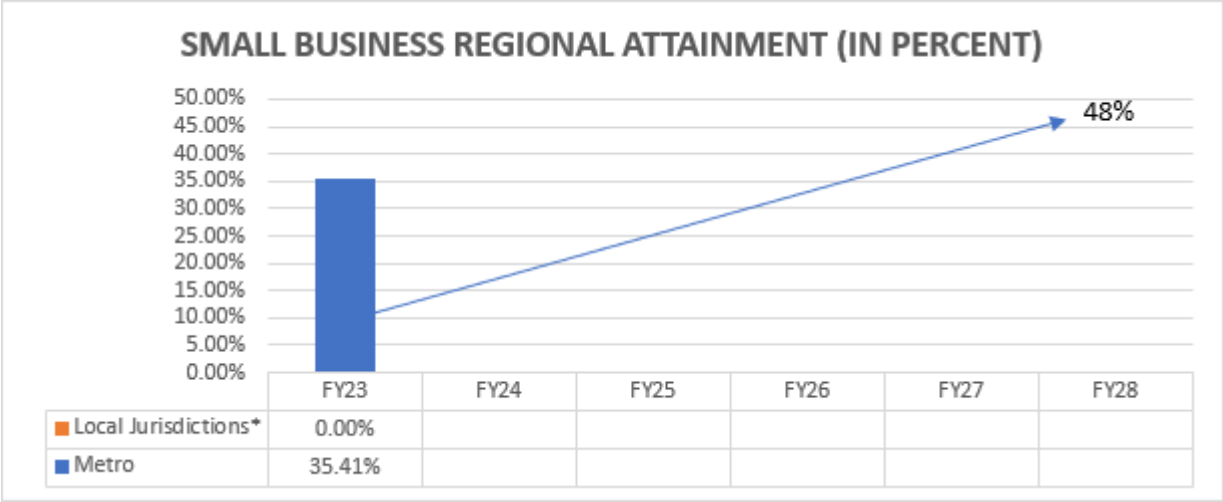


Table 2



*Survey responses lacked sufficient data to report percentage of Local Return funds awarded to SBE firms.

Metro believes through more refined survey questions coupled with developing and offering a universal reporting form and/or tool that can be used by the local jurisdictions, will enable more accurate reporting.

EQUITY PLATFORM

The purpose of the 8-point plan is to increase the percentage of transportation dollars that remain in the region and within economically and socially disadvantaged communities, contributing to LA County's economic recovery. Metro understands the significant financial burden smaller businesses encounter with cash flow on Metro contracts. The new CFAP is anticipated to help to advance equitable outcomes by mitigating cash flow delays and increasing access to capital while awaiting payment through the progress payment process. Additionally, Metro's continued engagement with local jurisdictions increases engagement with local partners and stakeholders regionally as Metro progresses toward reaching the 48% aspirational target by 2028.

In FY23, 35.41% of the total contracts awarded went to SBEs across all Metro small business programs. Additionally, 252 SBEs were awarded contracts during this period, of which 229 or 90.8% are also disadvantaged businesses. Currently, Metro has 2,154 SBE certified firms, of which 1,470 are also DBE certified. As a result, 68% of Metro's SBE certified firms are minority and/or women owned.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This report supports strategic plan Goal 5.5, "Expanding opportunities for businesses and external organizations to work with Metro."

NEXT STEPS

Staff will continue to implement and launch the ongoing Initiatives of the Plan and will proceed with

finalizing BART MOU and SBE certification program changes.

ATTACHMENTS

Attachment A - Motion 24
Attachment B - Metro Contract Financing Assistance Program Flyer

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Stephanie N. Wiggins
Chief Executive Officer

File #: 2023-0462, **File Type:** Motion / Motion Response **Agenda Number:** 24.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JULY 20, 2023

Motion by:

DIRECTORS HAHN, DUPONT-WALKER, SOLIS, BUTTS, AND SANDOVAL

48 by ’28 and Reciprocity Motion

More than 90% of businesses in Los Angeles County are small businesses, with fewer than 20 employees. In fact, LA County has approximately 250,000 small businesses that account for 43% of the local workforce.

With the passages of Measure R and Measure M, Metro is now undertaking a historic infrastructure capital program that provides numerous opportunities for businesses across the region to compete for projects that create thousands of jobs. Increasing the percentage of transportation dollars that remain in the region and within economically and socially disadvantaged communities is vital to LA County’s economic recovery and aligned with the Board-approved Equity Platform.

In December 2021, the Board adopted “48 by ’28: Increasing Small and Disadvantaged Business Participation” (2021-0766) by then-Board Chair Solis, Directors Hahn, Dupont-Walker, Sandoval, and Butts, to create Metro’s aspirational target to reach 48% participation by small and disadvantaged businesses on agency-wide contracts and procurements by 2028. That motion led to Metro’s “48 by ’28 Plan” (2022-0101), presented to and approved by the Board in May 2022. This plan laid out eight new initiatives that the agency intended to significantly increase the level of participation by small and disadvantaged businesses in Metro’s contracts.

Further, in September 2022, the Office of the Inspector General (OIG) provided a report (2022-0525) that offered findings regarding reciprocity for small business certifications across 10 California Unified Certification Program member agencies. That report raised concerns about the State Department of General Services (DGS) small business self-certification program, stating it “does not currently meet or exceed Metro’s SBE certification requirements or verification standards.” The report further provided a set of recommendations for next steps that Metro could undertake to advance reciprocity opportunities with other certifying agencies.

The eight initiatives laid out in the May 2022 “48 by ’28 Plan” include:

1. 15-Day Pay Initiative for SBEs as Primes,
2. Increasing SBE certification Personal Net Worth cap and potential certification

reciprocity with the Los Angeles Unified School District,
3. Coordination with the LA Area Chamber of Commerce's OneLA Collaborative,
4. Advertising Metro events on the City of Los Angeles' Regional Alliance Marketplace for Procurement (RAMP) Portal,
5. Engaging local return and transit operators,
6. Enhancing capacity building and access to capital,
7. Federal program changes, and
8. Increasing regional attainments.

The five recommendations provided for next steps in the September 2022 OIG report include:
1. Review and evaluate the Bay Area Regional Transit (BART) SBE certification process and standards to determine if reciprocity can be developed with them,
2. Work with the City and County of Los Angeles to harmonize their SBE programs and develop SBE certification reciprocity,
3. Consider leading an LA County SBE Certification Summit to discuss program terms, requirements, minimum standards, and reciprocity,
4. Continue to be a lead agency by making Metro's SBE program known to other agencies throughout the State and encourage them to accept Metro's SBE certifications, and,
5. Continue to review and evaluate California DGS small business self-certification program and standards to determine whether Metro can recognize or accept some DGS certifications without compromising Metro's own SBE certification standards.

The "48 by '28 Plan" was approved in May 2022, and the OIG offered its report regarding reciprocity in September 2022. The Board is warranted an update by Metro staff concerning the actions recommended in each of these reports to strengthen Metro's small and disadvantaged business programs while protecting their integrity.

SUBJECT: 48 BY '28 AND RECIPROCITY MOTION

RECOMMENDATION

APPROVE Motion by Directors Hahn, Dupont-Walker, Solis, Butts, and Sandoval that the Board direct the Chief Executive Officer to provide progress updates on the following:

A. Implementing the initiatives laid out in the May 2022 "48 by '28 Plan" to increase small and disadvantaged business participation in Metro contracts;

B. The recommendations included in the September 2022 Office of the Inspector General survey of small business enterprise certification programs; and

C. Developing an annual, fiscal year-end report on the agency's progress toward reaching the 48% target by 2028.

WE FURTHER MOVE that the Board direct the Chief Executive Officer to report back on the above directives in October 2023.

CONTRACT FINANCING ASSISTANCE PROGRAM

Working Capital for Your Metro Contracts

Metro understands the significant financial burden smaller businesses encounter cash- flowing their Metro related contracts while awaiting payment through the progress payment process. We know that this presents challenges which can impact your entire business, including the ability to take on more than one project at a time, or have adequate working capital to support a larger contract. As part of its commitment to small business participation at Metro, we want to do something about this.

Metro's Contract Financing Assistance Program (CFAP), is a resource through Metro's Contractor Development and Bonding Assistance Program (CDABP), that will provide certified SBE, DBE and DVBE firms with access to working capital loans to provide cash flow support in conjunction with a contract you've been awarded on a Metro project – no matter if you're a prime, a sub or even a sub's – sub! This is just one example of Metro removing some of the barriers so your business can take full advantage of the wealth of opportunities to successfully do business with Metro and build your capacity for even more.

AVAILABLE FUNDING

Funding of up to $350,000 is available using your Metro awarded contract as a collateral source to make a portion of your future contract progress payments available to you up front, so you have the funds you need to get your work underway covering your costs for labor or contract specific material purchases you're going to incur while you are awaiting progress payments.

ELIGIBILITY

The CFAP is available for SBE, DBE and DVBE Prime or Subcontractors performing Construction or Construction Professional Services (including architectural and engineering services, construction and program management, etc.) work on Metro contracts.

HOW IT WORKS

ENROLL IN METRO'S CDABP

Step 1: Complete the program enrollment form.

Step 2: Get prequalified for Metro's Contract Financing Assistance Program (CFAP). Qualifying for CFAP is not specifically based on your financials or credit history – loan funds advanced to you are collateralized by your contract proceeds.

Step 3: Once you're pre-qualified, our CFAP Team will take you through the process to assess your project cash flow needs. If you're looking to submit a bid on a Metro project now that you're prequalified, let our CFAP Team know so we can anticipate your potential need for funding through CFAP.

Step 4: The CFAP Team will work with the CFAP Community Development Financial Institution (CDFI) partners to submit a contract loan funding request for approval.

- Once approved, Metro's CDABP will establish a trust account for you where the approved loan funding will be deposited and available to directly pay your upcoming contract specific expenses, such as labor and purchase of materials.
- Upon receipt of your first contract progress payment, a portion of your loan will be repaid along with any other outstanding contract specific payables, with the balance of funds going to you for your overhead and reimbursement of other contract related expenses you funded directly. Funds through CFAP will be there for you as long as they're needed all the way through the final stages of the contract.

COST

Although this is not free money, Metro has arranged for this to be competitively priced credit with fees at 1% of loan value, and interest rates at 3-4% over the Prime Rate.

- Example: A $100,000 loan with fee and interest to cover a 6 month project at current rates would cost $6,178 which compares very favorably with other short term or credit card interest rates. (This is for illustration only on the calculation of finance charges as interest rates fluctuate.)

Metro covers all other costs to make this resource available to their small business contracting partners.

GET STARTED!

To get started or to obtain more information contact Metro's CFAP Administrator – Merriwether & Williams (MWIS) and schedule a meeting with a MWIS Contract Based Finance Analyst right away.

Email MWIS at mwisinfo@imwis.com or call at 213-258-3000.

48 By ’28 and Reciprocity Progress Update

Finance, Budget, Audit Committee
February 14, 2024
Executive Management Committee
February 15, 2024

Metro

48 BY ‘28 - BACKGROUND

- In May 2022, the Metro Board adopted the 48 by ‘28 8-point plan of eight new initiatives aimed at achieving a 48% aspirational target of small business participation in Metro funded projects.
- In July 2023, the Metro Board passed Motion 24 requesting progress updates on:
  - a) implementing the initiatives laid out in the May 2022 “48 by ’28 Plan” to increase small and disadvantaged business participation in Metro contracts.
  - b) recommendations included in the September 2022 Office of the Inspector General (OIG) survey of small business enterprise certification programs.
  - c) developing an annual, fiscal year-end report on the agency’s progress toward reaching the 48% target by 2028.

Metro

48 BY ’28 - UPDATE

- Metro has commenced action on all eight (8) Initiatives in the Plan:
  - The 15-Day Pay Initiative was launched on January 16, 2024.
  - Significant tasks associated with the coordination efforts with the LA Area Chamber of Commerce OneLA Collaborative and advertising Metro’s Outreach efforts on the City of Los Angeles’ RAMP Portal have been completed.
  - Metro staff engaged local jurisdictions, through surveys, to determine how many agencies have an SBE Program, their use of Local Return funds, and how Metro can assist with outreach to the small business community.
  - The Contract Financing Assistance Program (CFAP) was launched in September 2023.

Metro

48 BY ’28 - UPDATE

- Metro has been supportive of efforts by the U.S. Department of Transportation to enhance their disadvantaged business enterprises outreach.
- Metro awaits issuance of the final rule on the proposed DBE Program rule change to increase the Personal Net Worth (PNW) limit from USDOT.
- Metro initiated a review of BART’s SBE certification program and verification process and will also reconnect with the City and County of Los Angeles’ to ascertain new interest to harmonize SBE programs.
- Metro will continue to review and evaluate other similarly vetted certification programs for possible reciprocity.

Metro

YEAR-END PROGRESS TOWARD 48 X '28 TARGET

Metro's fiscal year-end report is summarized below:

- In FY23, $56.8M or 35.41% of non-federally funded contract awards were awarded to SBEs across all Metro small business programs, demonstrating overall progress toward reaching the 48% aspirational target.
  - In FY24, staff will develop a reporting tool to facilitate reporting from the local jurisdictions. While Metro cannot mandate participation, staff will continue to collaborate, provide technical assistance and share ways to stand up SBE programs to increase equity and opportunities to SBEs regionally.

- **Next Steps:** Staff will continue to implement and launch the ongoing Initiatives of the Plan.

Metro

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

File #: 2023-0735, **File Type:** Contract **Agenda Number:** 15.

EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 15, 2024

SUBJECT: SOUTHEAST GATEWAY LINE

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to award a cost-plus fixed fee contract, Contract No. AE107133000, for a period of 5 years, with two, 5-year options, to WSP USA, Inc., for Program Management Support Services (PMSS) for the Slauson/A Line to Pioneer segment of the Southeast Gateway Line Project (formerly referred to as the West Santa Ana Branch Transit Corridor) in an amount not to exceed $99,999,105, subject to the resolution of any properly submitted protest(s), if any.

ISSUE

Staff is seeking the Board's approval of a contract award to provide program management and construction management support services to meet the Board's expectation of delivering the Locally Preferred Alternative (LPA) segment of the Southeast Gateway Line Project, formally known as West Santa Ana Branch Project. It allows staff to continue the momentum already established in our ongoing coordination with third-party stakeholders, which is key to ensuring the successful completion of project-related agreements.

BACKGROUND

The Project roadmap is comprised of the following parallel workstreams:

- Planning - completing final environmental clearance,
- Early Due Diligence (EDD) - addressing high risk items such as utilities, unknown soils conditions, and third-party agreements, and
- LRT Project Delivery - continuing to evaluate various contract delivery methods most beneficial to Metro.

A component of the EDD workstream includes the award of several contracts to address the high-risk elements of the project prior to the light rail construction. The Advanced Engineering (AE) contract was the first of those contracts and was approved by the Board in November 2023. While the AE contract provides design services to support Metro's efforts in meeting FTA requirements to advance

through the New Starts federal funding program, the PMSS is also critical in enabling the project to transition seamlessly from environmental clearance to implementation as well as assisting Metro staff in delivering the project.

DISCUSSION

To advance the delivery of the Southeast Gateway Line project, staff will need additional consultant support services to provide the following, which is included in the recommended PMSS contract:

- manage the design,
- continue coordination and negotiations with critical third-parties such as utility owners, Union Pacific Railroad (UPRR), Port of Long Beach, Port of Los Angeles, Caltrans, Army Corps of Engineers, and the California Public Utilities Commission, and
- provide program and construction management support services of the upcoming Construction Manager/General Contractor (CM/GC) early works procurement consisting of utility adjustments, freight relocation, and grade crossings.

In particular, cost estimating and negotiations support with the CM/GC will be critical as staff establish strategies to ensure successful negotiations and bring costs down.

Additionally, the PMSS consultant will provide support with Light Rail Transit (LRT) core scope procurement activities once a contract delivery model is selected for the LRT. The PMSS contract provides all these services.

Staff intends to return to the Board for award of a CM/GC contract for utility adjustment, freight realignment, and grade crossings, anticipated for Board action by fall/winter of 2024.

DETERMINATION OF SAFETY IMPACT

There is no impact to safety.

FINANCIAL IMPACT

The FY24 budget contains $19.5M in Cost Center 8510 (Program Management), Project 460201 for professional services. Since this is a multi-year contract, the Project Manager and Chief Program Management Officer will be responsible for budgeting in future years.

Impact to Budget

Currently, the funds for this project are provided by the Measure R 35%, Measure M 35% and State Grant SB1. No other funding sources are considered for this effort. These funds are not eligible for operating charges.

EQUITY PLATFORM

This Project will benefit communities through the addition of a new high-quality reliable light rail transit which will increase mobility and connectivity for the historically under-served and transit-dependent communities along the corridor. Approval of the contract will allow staff to advance the project and maintain the schedule to complete the line for service by 2035. The Disadvantaged Business Enterprise (DBE) goal for this procurement is 30% of the contract value; the recommended firm exceeded this goal by making a 30.16% commitment.

The Southeast Gateway Line is comprised largely of Environmental Justice (EJ) communities. In 2017 (the first year of environmental analysis), minority residents comprised 65 percent of the total Study Area population, with Hispanic/Latino groups alone accounting for 51 percent of the total population. In addition, 44 percent of Study Area residents live below the poverty level, which is higher than the county average of 33 percent. The entire LPA qualifies as an EJ corridor and the corridor cities of Bellflower, Paramount, South Gate, Cudahy, Bell, and Huntington Park are also identified as LA Metro's Equity Focus Communities. Since initiating the Project Study, staff has conducted extensive outreach efforts for corridor communities, and has continued to engage project stakeholders through a variety of forums, platforms, languages, and access methods, including special outreach efforts to people of color, low-income, and limited English proficiency populations, and persons with disabilities. Project development has been directly influenced by this engagement, as discussed above. Metro staff will continue to reengage communities as a part of the completion of the final environmental document, as well as the Slauson/A Line to LAUS Study, to help define the project, including alignment profile, station locations, and design.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic plan goals identified in Vision 2028: Goal 1: Provide high- quality mobility options that enable people to spend less time traveling, Goal 3: Enhance communities and lives through mobility and access to opportunity and Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

As one of Program Management's Strategic Initiatives, Metro has a continued focus on developing in-house personnel and hiring experienced staff to deliver large complex projects and is working toward achieving a 50/50 consultant to Metro staff ratio.

The PMSS contract is required to supply the necessary resources to start and develop the Southeast Gateway Line project. Metro's Program Management department will undertake a market analysis to evaluate Metro's capabilities to bring the right talent in-house. As the project progresses through its phases, Metro will assess core management competencies of construction, engineering, quality, schedule, budget, and third-party managers to be maintained in house while supplementing these with specialist resources from the PMSS team. Staffing plans will be reviewed regularly to ensure a balance between consultant and Metro staff. Project leadership will continue to focus on filling open positions within the project's organization and utilize consultants where necessary to successfully deliver the project.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the contract award. Delaying this contract award to a future date would pose significant delays to the overall project schedule and risk that the project would be unable to meet its Measure M schedule.

NEXT STEPS

Upon Board approval, staff will execute Contract No. AE107133000 with WSP USA, Inc. for Program Management Support Services. These activities are needed to continue advancing the Project per Board direction.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared by:

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Reviewed by:

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Stephanie N. Wiggins
Chief Executive Officer

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ATTACHMENT A

PROCUREMENT SUMMARY

SOUTHEAST GATEWAY LINE (FORMERLY WEST SANTA ANA BRANCH TRANSIT CORRIDOR)
PROGRAM MANAGEMENT SUPPORT SERVICES / AE107133000

1.	**Contract Number**: AE107133000	
2.	**Recommended Vendor**: **WSP USA, INC.**	
3.	**Type of Procurement (check one) :** ☐ **IFB** ☐ **RFP** ☒ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: May 19, 2023	
	B. Advertised/Publicized: May 26, May 27, and June 1, 2023	
	C. Pre-Proposal Conference: June 6, 2023	
	D. Proposals Due: July 3, 2023	
	E. Pre-Qualification Completed: December 5, 2023	
	F. Ethics Declaration Forms Review Completed by Ethics: September 6, 2023	
	G. Protest Period End Date: January 23, 2024	
5.	**Solicitations Picked up/Downloaded**: 190	**Proposals Received**: 5
6.	**Contract Administrator**: Robert Romanowski	**Telephone Number**: 213-922-2633
7.	**Project Manager**: June Susilo	**Telephone Number**: 562-524-0532

A. Procurement Background

This Board Action is to approve the award of Contract No. AE107133000 to provide Program Management Support Services (PMSS) for the Southeast Gateway Line. Scope includes program management and construction management support services to Metro to manage the design, continue coordination and negotiations with critical third-parties, evaluation of future Construction Manager/General Contractor (CM/GC) pricing proposals, and support for project management and administration. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued as an Architectural and Engineering (A&E) services qualifications-based procurement process performed in accordance with Metro Procurement Policies and Procedures and California Government Code §§ 4525-4529.5. The contract type is a Cost-Plus Fixed Fee (CPFF) for a base term of five years with two, five-year options. A virtual pre-proposal conference was held on June 6, 2023, with 107 attendees. The list of Planholders includes 190 downloads of the RFP by 163 firms.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on June 16, 2023, clarified and revised the Submittal Requirements.

- Amendment No. 2, issued on June 23, 2023, clarified applicability of the Contractor Registration Law to this procurement.

Five proposals were received on July 3, 2023, from the following firms, listed in alphabetical order:

1. AECOM Technical Services, Inc.
2. Bechtel Infrastructure Corporation
3. Gateway Cities Connection Joint Venture (PGH Wong Engineering, Inc. and Anser Advisory Management, LLC)
4. Psomas-Stantec-Mott MacDonald Joint Venture (Psomas, Stantec Consulting Services, Inc., and Mott MacDonald Group, Inc.)
5. WSP USA, Inc.

All five proposals were determined to be responsive to the requirements of the RFP, including acknowledging both amendments.

B. Evaluation of Proposals

The Proposal Evaluation Team (PET) was comprised of a member of the City Managers Technical Advisory Committee (TAC); and representatives from the following Metro departments: Countywide Planning, Countywide Planning/Systemwide Design, and Program Management. The PET conducted a comprehensive evaluation of the proposals.

The proposals were evaluated based on the following evaluation criteria and associated weighting of maximum points:

• Experience and Capabilities of the Proposer's Team	25 points
• Key Personnel Skills and Experience	35 points
• Project Understanding and Approach to Implementation of the Scope of Services	35 points
• Approach to Cultural Competency	5 points
Total	100 points

The evaluation criteria are appropriate and consistent with criteria developed for other similar A&E, qualifications-based procurements. Several factors were considered when developing the weightings, giving the greatest importance to the criteria of Key Personnel Skills and Experience, and Project Understanding and Approach to Implementation of the Scope of Services

This is an A&E qualification-based procurement; therefore, price cannot be used as an evaluation factor pursuant to state and federal law.

Qualifications Summary of Recommended Contractor:

The evaluation performed by the PET determined, in accordance with the evaluation criteria established in the RFP, that the proposal from WSP USA, Inc. is the most qualified to perform the services required.

The scoring was based on evaluation of the written proposals received from the proposers and oral presentations conducted on October 17, 18, and 19, 2023. The results of the final scoring are shown below:

Firm	Maximum Points	Earned Points	Total Points	Rank
WSP USA, INC.				
Experience and Capabilities of the Proposer's Team	25.00	21.19		
Key Personnel Skills and Experience	35.00	30.69		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	30.20		
Approach to Cultural Competency	5.00	3.81		
Total			**85.89**	**1**
AECOM Technical Services, Inc.				
Experience and Capabilities of the Proposer's Team	25.00	19.06		
Key Personnel Skills and Experience	35.00	26.13		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	26.61		
Approach to Cultural Competency	5.00	4.31		
Total			**76.11**	**2**

Gateway Cities Connection Joint Venture				
Experience and Capabilities of the Proposer's Team	25.00	18.19		
Key Personnel Skills and Experience	35.00	26.44		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	25.29		
Approach to Cultural Competency	5.00	3.38		
Total			**73.30**	**3**
Psomas-Stantec-Mott MacDonald Joint Venture				
Experience and Capabilities of the Proposer's Team	25.00	18.94		
Key Personnel Skills and Experience	35.00	24.00		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	26.05		
Approach to Cultural Competency	5.00	3.63		
Total			**72.62**	**4**
Bechtel Infrastructure Corporation				
Experience and Capabilities of the Proposer's Team	25.00	15.88		
Key Personnel Skills and Experience	35.00	22.00		
Project Understanding and Approach to Implementation of the Scope of Services	35.00	21.51		
Approach to Cultural Competency	5.00	3.00		
Total			**62.39**	**5**

C. Cost Analysis

Consistent with Metro's Procurement procedures, Metro technical staff prepared an Independent Cost Estimate (ICE) based on the estimated level of effort (staff positions and labor hours) as understood at the time the RFP was issued. The ICE provided the basis for development of pre-negotiation objectives and support for Metro's negotiation position.

Subsequent to reviewing the cost proposal of the most qualified firm, Metro initiated negotiations with three objectives: (1) to negotiate and reduce the cost elements, (2) to clarify proposer's assumptions, estimates, inclusions, and exclusions to the Scope of Services (SOS), and (3) to arrive at a mutually agreeable level of effort and NTE cost for this cost reimbursable contract that is fair and reasonable.

The difference between the ICE and the negotiated NTE contract amount is due to the following factors.

- The ICE underestimated the effort required for the various technical liaisons supporting the coordination with ten corridor cities, 41 private utility owners, Ports of Los Angeles and Long Beach, Union Pacific Railroad, California Public Utility Commission, Caltrans, and Army Corps of Engineers.
- The ICE did not include Other Direct Costs (ODCs) such as project vehicles, office equipment, etc. It also did not include subcontractor management fee.
- The ICE did not include additional field staff to support the management of the CMGC contract.

Recommended Contractor: WSP USA, Inc.				
Contract Duration	**Metro ICE**	**Cost Proposal**	**NTE Contract Award Amount**	**Metro Estimating Independent ROM**
5 Year Base Term	$51,794,193	$126,782,927	$99,999,105(1)	$90,338,310

(1) Direct labor hourly rates are supported by payroll data; overhead rates for the Contractor and Subcontractors are based on current FAR Part 31 compliant audits submitted by the Proposer during negotiations or established as a provisional rate for the first year; and other direct costs and fixed fee amount were negotiated and determined to be fair and reasonable.

To validate cost reasonableness of the negotiated NTE amount, Metro Estimating Department performed an independent Rough Order of Magnitude (ROM) Estimate, based on the agreed level of effort. Metro Estimating developed their estimates using direct labor rates, indirect cost rates, escalation, etc. Metro Estimating was not privy to the cost proposal nor the negotiated NTE amount. Metro Estimating's ROM is within 11% of the negotiated amount.

A cost analysis of the elements of cost including direct labor rates, indirect cost rates, and other direct costs was completed in accordance with Metro's Procurement Policies and Procedures. Indirect cost rates for the Contractor and proposed Subcontractors were established based on currently available and applicable audits.

A fixed fee factor was negotiated to establish a fixed fee amount based in dollars on the total estimated cost of performance of the Scope of Services for the contract term.

Staff successfully negotiated a cost savings of $26,783,822 from the submitted Cost Proposal by: (1) correcting the proposer's assumptions regarding level of effort; (2) negotiating and agreeing to an estimated level of effort for personnel and all Subcontractors; (3) refining the expectations and confirming deliverables of design reviews; and (4) reducing the fixed fee factor from 10% to 8.5%.

The recommended award amount of $99,999,105 is fair and reasonable and is the total cost of the agreed estimated level of effort required to perform the Scope of Services for the five-year base term. Pricing for future option terms will be estimated and negotiated in advance of considering exercising the options.

D. Background on Recommended Contractor

WSP USA, Inc. has multiple offices in Southern California including in the city of Los Angeles, which currently support a staff of 800. Their current team has extensive experience with rail design oversight, freight rail coordination, railroad infrastructure design, third party coordination, utility relocation, and program management and construction management support services.

DEOD SUMMARY

SOUTHEAST GATEWAY LINE (FORMERLY WEST SANTA ANA BRANCH TRANSIT CORRIDOR)
PROGRAM MANAGEMENT SUPPORT SERVICES / AE107133000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 30% Disadvantaged Business Enterprise (DBE) goal for this solicitation. WSP USA Inc. exceeded the goal by making a 30.16% DBE commitment.

Small Business Goal	30% DBE	Small Business Commitment	30.16% DBE

	DBE Subcontractors	Ethnicity	% Committed
1.	Costin Public Outreach	Caucasian Female	1.31%
2.	D'Leon Consulting Engineers	Hispanic American	2.51%
3.	Kelly McNutt Consulting, LLC	Caucasian Female	5.84%
4.	Mammoth Associates, LLC	Caucasian Female	1.64%
5.	Monument ROW	Caucasian Female	0.26%
6.	Ramos Consulting Services, Inc.	Hispanic American	12.81%
7.	Redwood Resources	African American	4.67%
8.	Terry A. Hayes Associates Inc.	African American	0.93%
9.	Zephyr UAS, Inc. dba Zephyr Rail	Hispanic American	0.19%
		Total DBE Commitment	**30.16%**

B. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

C. Living Wage and Service Contract Worker Retention Policy Applicability

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

D. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial

Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

E. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of $2.5 million.

Program Management Support Services Contract Award

SOUTHEAST GATEWAY LINE

Executive Management Committee

February 15, 2024

Metro

SE Gateway Line PMSS Contract

- As Metro continues to build up internal project team, this contract provides additional staffing support to deliver the project. Consultant staffing plans will be reviewed and approved on an annual basis while the Metro project staff fill internal positions in its aspirations of a 50/50 split between Metro and consultant staff

- Seamless transition from environmental clearance to implementation of early works package to de-risk the LRT scope.

- Supports cost estimating and negotiations with the CMGC.

- Allows for continued coordination and successful negotiations with critical stakeholders.

- Maintains project delivery schedule.

Procurement Evaluation

Proposal Evaluation Team (PET) – 4 members

- 3 – Metro Employees
  - Countywide Planning
  - Systemwide Design
  - Program Management
- 1 – City Managers' Technical Advisory Committee (TAC)

Evaluation Criteria

Experience and capabilities of the proposer's team	25 points
Key personnel skills and experience	35 points
Project understanding and approach to implementation of the Scope of Services	35 points
Approach to cultural competency	5 points
Total	**100 points**

Procurement Evaluation - Scores

EVALUATION CRITERIA	MAXIMUM POINTS	WSP USA, INC.	AECOM TECHNICAL SERVICES	GATEWAY CITIES JV	PSOMAS-STANTEC-MM JV	BECHTEL INFRA.
Experience and capabilities of the proposer's team	25	21.19	19.06	18.19	18.94	15.88
Key personnel skills and experience	35	30.69	26.13	26.44	24.00	22.00
Project understanding and approach to implementation of the Scope of Services	35	30.20	26.61	25.29	26.05	21.51
Approach to cultural competency	5	3.81	4.31	3.38	3.63	3.00
Total Score	**100**	**85.89**	**76.11**	**73.30**	**72.62**	**62.39**

DBE Goal: 30%

WSP DBE Commitment: 30.16%

RECOMMENDATION

Authorize the Chief Executive Officer (CEO) to award a cost-plus fixed fee contract, Contract No. AE107133000, for a period of 5 years, with two, 5-year options, to WSP USA, Inc., for Program Management Support Services (PMSS) for the Slauson/A Line to Pioneer segment of the Southeast Gateway Line Project (formerly referred to as the West Santa Ana Branch Transit Corridor) in an amount not to exceed $99,999,105, subject to the resolution of any properly submitted protest(s), if any.

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

Metro

Board Report

File #: 2024-0083, **File Type:** Oral Report / Presentation **Agenda Number:** 16.

EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 15, 2024

SUBJECT: MANUFACTURING CAREERS POLICY (MCP) APPLICATION AND ENFORCEMENT ON THE HR5000 ROLLING STOCK CONTRACT

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE oral report on the MCP application and enforcement of the new HR5000 contract.

ISSUE

At the January 2024 Board Meeting, Director Solis requested a report back on the application and enforcement of the MCP on the HR5000 contract.

EQUITY PLATFORM

The Diversity and Economic Opportunity Department (DEOD) and Vendor/Contract Management (V/CM) collaborate with the Office of Equity and Race to identify and mitigate any concerns to ensure equitable outcomes relative to Rolling Stock contracts.

Prepared by: Michael Flores, Manager, DEOD (213) 922-6387
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Reviewed by: Sharon Gookin, Deputy Chief Executive Officer (213) 418-3101

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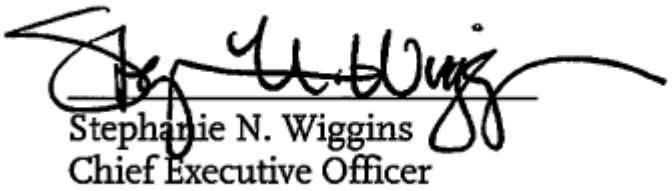


Stephanie N. Wiggins
Chief Executive Officer

Manufacturing Careers Policy (MCP) Application and Enforcement of the new HR5000

Executive Management Committee
February 15, 2024

Manufacturing Careers Policy Overview

- At the January 2024 Board Meeting, Director Solis requested a report back on the application and enforcement of the MCP on the HR5000 (Hyundai Rotem) contract.

- The Manufacturing Careers Policy (MCP) establishes the internal guidelines for the US Employment Program (USEP) and Local Employment Program (LEP).

- Policy includes compliance and contractual enforcement

Metro

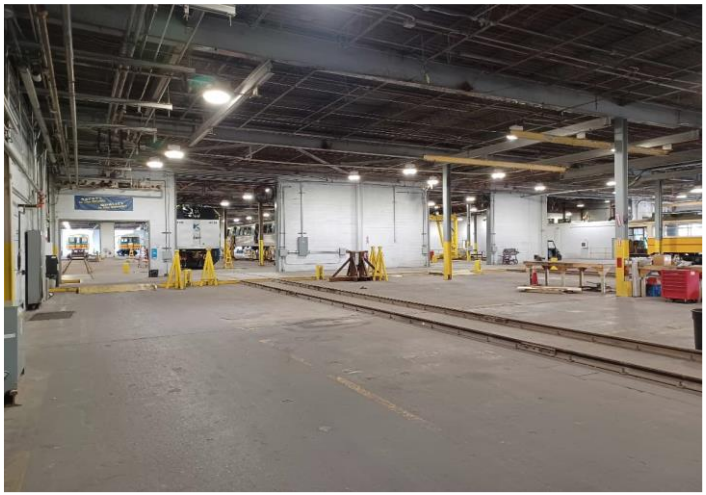
HR5000 HRV Acquisition Contract – US Employment Plan

- Hyundai Rotem US Corporation (Hyundai) is contracted to provide 182 new HRVs
- Hyundai has committed to a US Employment Plan under Metro's Manufacturing Careers Policy, that will create 165 new FTE jobs across the US
- Hyundai will assign a full-time manager to administer the plan

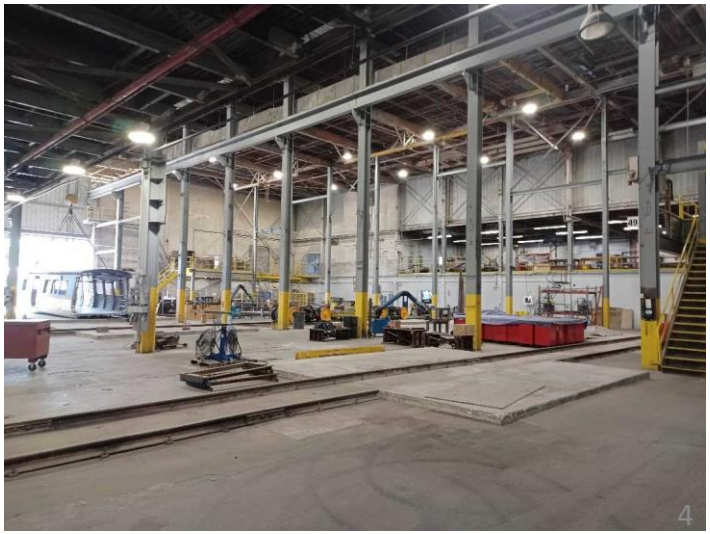
Metro

HR5000 HRV Acquisition Contract – US Employment Plan

- Hyundai's commitment includes hiring a minimum of 10% Disadvantaged Workers
- The new jobs creation translates to over $95M in wages and benefits as well as nearly $27M in facility improvements
- Plan highlights include:
  - Development of a new Propulsion facility to be built in California
  - Final Assembly to be performed by Kinkisharyo in New Jersey
  - Workforce development, apprenticeships and training programs



Kinkisharyo facility for production car Final Assembly

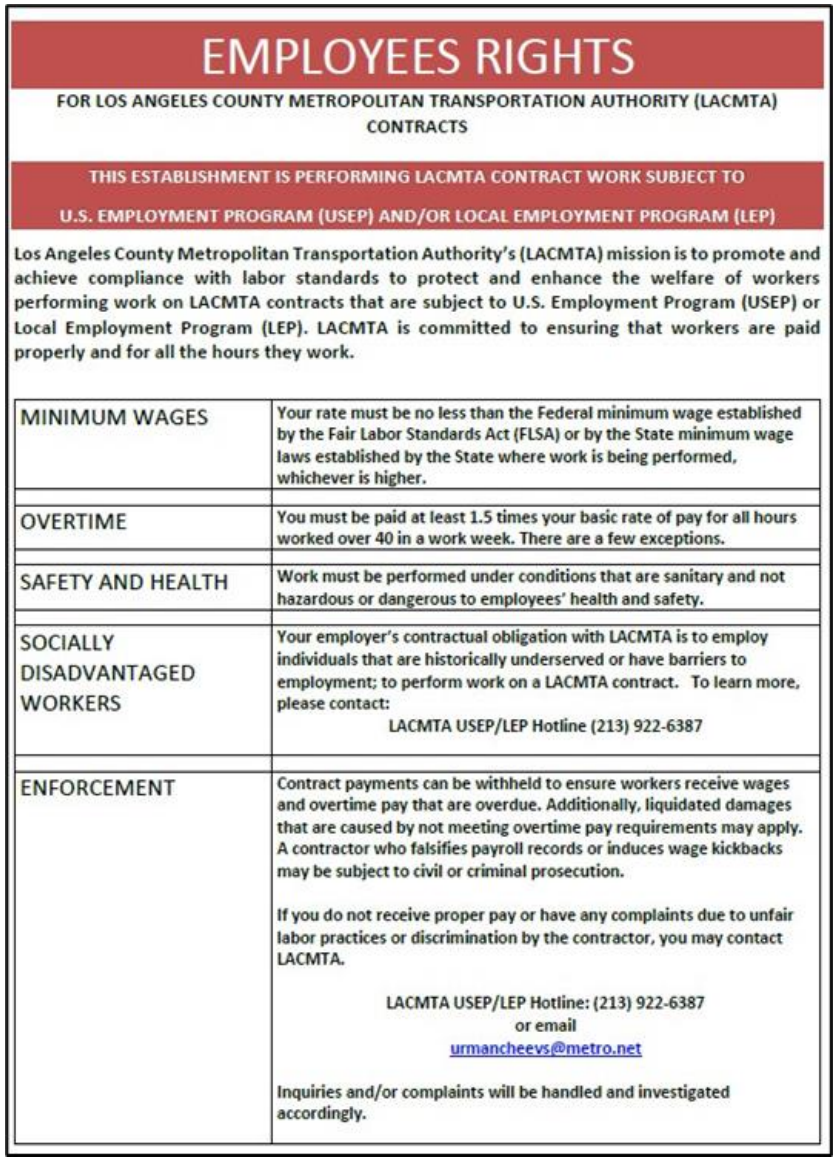


Metro

Manufacturing Careers Policy (MCP)

MCP Compliance Requirements:

- Employee Complaint Program
- USEP/LEP Wage Reporting (CPR)
- Training Mechanisms for New and Retained Workers



EMPLOYEES RIGHTS

FOR LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) CONTRACTS

THIS ESTABLISHMENT IS PERFORMING LACMTA CONTRACT WORK SUBJECT TO U.S. EMPLOYMENT PROGRAM (USEP) AND/OR LOCAL EMPLOYMENT PROGRAM (LEP)

Los Angeles County Metropolitan Transportation Authority's (LACMTA) mission is to promote and achieve compliance with labor standards to protect and enhance the welfare of workers performing work on LACMTA contracts that are subject to U.S. Employment Program (USEP) or Local Employment Program (LEP). LACMTA is committed to ensuring that workers are paid properly and for all the hours they work.

MINIMUM WAGES	Your rate must be no less than the Federal minimum wage established by the Fair Labor Standards Act (FLSA) or by the State minimum wage laws established by the State where work is being performed, whichever is higher.
OVERTIME	You must be paid at least 1.5 times your basic rate of pay for all hours worked over 40 in a work week. There are a few exceptions.
SAFETY AND HEALTH	Work must be performed under conditions that are sanitary and not hazardous or dangerous to employees' health and safety.
SOCIALLY DISADVANTAGED WORKERS	Your employer's contractual obligation with LACMTA is to employ individuals that are historically underserved or have barriers to employment; to perform work on a LACMTA contract. To learn more, please contact: LACMTA USEP/LEP Hotline (213) 922-6387
ENFORCEMENT	Contract payments can be withheld to ensure workers receive wages and overtime pay that are overdue. Additionally, liquidated damages that are caused by not meeting overtime pay requirements may apply. A contractor who falsifies payroll records or induces wage kickbacks may be subject to civil or criminal prosecution. If you do not receive proper pay or have any complaints due to unfair labor practices or discrimination by the contractor, you may contact LACMTA. LACMTA USEP/LEP Hotline: (213) 922-6387 or email urmancheevs@metro.net Inquiries and/or complaints will be handled and investigated accordingly.

Metro

Manufacturing Careers Policy (MCP)

MCP Oversight Guidelines:

- Quarterly Review of USEP/LEP Wage Reports
- Annual Audits (MASD)
- Site Visits

MCP Contractual Enforcement:

- Issuances of Non-Compliance Notices with corrective action request
- Withholding of Milestone Payments
- Assessment of Liquidated Damages

Metro

Thank you