

# **Metro**

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



**Metro**<sup>®</sup>

## **Agenda - Final**

**Wednesday, July 18, 2018**

**12:00 PM**

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

## **Finance, Budget and Audit Committee**

*Kathryn Barger, Chair*

*Paul Krekorian, Vice Chair*

*John Fasana*

*Ara Najarian*

*Mark Ridley-Thomas*

*Shirley Choate, non-voting member*

*Phillip A. Washington, Chief Executive Officer*

**METROPOLITAN TRANSPORTATION AUTHORITY BOARD 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 should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

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.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant 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.

**CONDUCT IN THE BOARD ROOM** - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

**REMOVAL FROM THE BOARD ROOM** The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- 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.

**INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD**

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded on CD's and as MP3's and can be made available for a nominal charge.

## DISCLOSURE OF CONTRIBUTIONS

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.

## ADA REQUIREMENTS

Upon request, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 hours) in advance of the scheduled meeting date. Please telephone (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040.

## LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Committee and Board Meetings. All other languages must be requested 72 hours in advance of the meeting by calling (213) 922-4600 or (323) 466-3876.



**323.466.3876 x2**

*Español*

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한국어

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中文

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ภาษาไทย

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## HELPFUL PHONE NUMBERS

Copies of Agendas/Record of Board Action/Recordings of Meetings - (213) 922-4880 (Records Management Department)

General Information/Rules of the Board - (213) 922-4600

Internet Access to Agendas - [www.metro.net](http://www.metro.net)

TDD line (800) 252-9040

**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

## CALL TO ORDER

## ROLL CALL

### APPROVE Consent Calendar Item(s): 7, 8, 9

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

### CONSENT CALENDAR

7. **SUBJECT: FISCAL YEAR 2018 - THIRD QUARTER YEAR-TO-DATE (YTD) FINANCIAL AND PERFORMANCE REPORT** [2018-0351](#)

#### **RECOMMENDATION**

RECEIVE AND FILE the Fiscal Year 2018 (FY18) Third Quarter Year-To-Date Financial and Performance Report.

8. **SUBJECT: CONSOLIDATED AUDIT FOR FISCAL YEAR 2017** [2018-0412](#)

#### **RECOMMENDATION**

RECEIVE AND FILE the Consolidated Audit financial and compliance audit reports completed by Vasquez and Company (Vasquez) and Simpson and Simpson, CPA's (Simpson & Simpson) for the Fiscal Year ending June 30, 2017.

**Attachments:** [Attachment A - Prop A & C Vasquez](#)  
[Attachment B - Prop A & C Simpson](#)  
[Attachment C - MR Vasquez](#)  
[Attachment D - MR Simpson](#)

9. **SUBJECT: GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES** [2018-0241](#)

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 5 to Contract No. PS05312717, with Carl Warren & Company (CWC), for general liability claims administration services, to exercise the second, three-year option in the amount of \$7,867,714 increasing the total contract value from \$18,028,927 to \$25,896,641 and extending the contract term from November 1, 2018 to October 31, 2021.

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

NON-CONSENT

11. **SUBJECT: BUS DRIVER CONTROL UNITS FOR TAP FAREBOXES** [2018-0389](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Contract No. DR54997000 to Golden Star Technology, Inc. (GST) for the purchase of 2,963 tablet devices to be mounted to the bus farebox, required for the farebox upgrades to serve as the bus operator's Driver Control Unit (DCU), in the amount of \$5,877,413.32, subject to resolution of protest(s), if any.

**Attachments:**      [Attachment A - Procurement Summary.pdf](#)  
                                 [Attachment B - DEOD Summary.pdf](#)  
                                 [Attachment C - Old OCU vs. New DCU Comparison](#)

12. **SUBJECT: GREATER LEIMERT PARK VILLAGE CRENSHAW  
CORRIDOR BUSINESS IMPROVEMENT DISTRICT** [2018-0318](#)

**RECOMMENDATION**

APPROVE Metro's participation in the Leimert Park Village Corridor Business Improvement District for a period of five years commencing January 1, 2019 through December 31, 2023 for an estimated amount of \$62,000.

**Attachments:**      [Attachment A - BID Management Plan](#)  
                                 [Attachment B - Map of BID](#)  
                                 [Attachment C - Evaluation of BIDs](#)  
                                 [Attachment D - Assessed Parcels within BID Boundaries](#)

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 #: 2018-0412, File Type: Informational Report

Agenda Number: 8.

### FINANCE, BUDGET AND AUDIT COMMITTEE JULY 18, 2018

**SUBJECT: CONSOLIDATED AUDIT FOR FISCAL YEAR 2017**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE the Consolidated Audit financial and compliance audit reports completed by Vasquez and Company (Vasquez) and Simpson and Simpson, CPA's (Simpson & Simpson) for the Fiscal Year ending June 30, 2017.

#### **ISSUE**

As the Regional Transportation Planner for Los Angeles County, we are responsible for planning, programming and allocating transportation funding to Los Angeles County jurisdictions, transit operators and other transportation programs. We have the fiduciary responsibility to provide assurance that recipients of funds included in the Consolidated Audit are adhering to the statutes, program guidelines, and/or agreements of each applicable funding source and that operations data used to allocate funds is fair and in accordance with Federal Transportation Authority (FTA) guidelines.

The Consolidated Audit process includes financial and compliance audits of the following programs:

- Local Funding Program to 88 cities and Unincorporated Los Angeles County
  - Proposition A Local Return
  - Proposition C Local Return
  - Measure R Local Return
  - Transit Development Act (TDA) Article 3 and Article 8 Programs
  - Proposition A Discretionary Incentive Program
- Transit System Funds to Commerce, Redondo Beach, Torrance
  - Transit Development Act (TDA) Article 4
  - State Transit Assistance (STA)
  - Proposition A 95% of 40% Discretionary
  - Proposition C 5% Security
  - Proposition C 40% Discretionary
  - Proposition 1B Funds
  - Measure R 20% Bus Operations and Clean Fuel Bus Funds

- Proposition A 40% Discretionary - Growth Over Inflation (GOI) Fund to Burbank, Glendale, LADOT and Pasadena Transit System Operators
- Fare Subsidies Programs
  - Immediate Needs Transportation Program (INTP)
  - Rider Relief Transportation Program (RRTP)
  - Support for Homeless Re-Entry (SHORE) Program
- Metrolink Program
- EZ Transit Pass Program
- Access Services
- LADOT Operating Data (Proposition A Incentive Programs)

We allocate over \$400 million annually to these programs and distribute them to 88 cities in Los Angeles County, the County of Los Angeles and other agencies. Audits of these programs are needed to ensure that the agencies comply with the applicable rules, regulations, policies, guidelines and executed Memorandums of Understanding (MOU). The audits also serve as a program management tool for effectively managing and administering these programs.

Vasquez and Simpson & Simpson performed the financial and compliance audits to provide assurance to management whether recipients of subsidies included in the Consolidated Audit are adhering to the statutes of each applicable funding source. The audits were conducted in accordance with generally accepted government auditing standards and the American Institute of Certified Public Accountants' Standards.

## **DISCUSSION**

### **Local Return**

#### **Proposition A and C**

Vasquez and Simpson & Simpson found that the Cities and County, with the exception of the City of Compton, complied in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Local Return Programs for the year ended June 30, 2017.

The auditors found 67 instances of non-compliance for Proposition A and C. Questioned costs totaling \$2.2 million and \$1.8 million for Proposition A and Proposition C, respectively represent approximately 1% of each total fund reviewed. The Local Return Program Manager is working with the cities to resolve the findings. The respective auditors will validate the resolution of the findings identified in these audits in the following years' audits.

#### **Measure R**

Vasquez and Simpson & Simpson found that the Cities and County complied in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Local Return Programs for the year ended June 30, 2017. The Measure R Local Return audit results were presented to the Measure R Independent Taxpayer Oversight Committee (MRITOC) on March 13, 2018. A Public Hearing for MRITOC was also conducted to receive public input on May 15, 2018.

The auditors found 32 instances of non-compliance for Measure R. Questioned costs totaling \$2.3 million for Measure R represent approximately 2% of the total amount reviewed. The Local Return Program Manager is working with the cities to resolve the findings. The respective auditors will validate the resolution of the findings identified in these audits in the following years' audits.

#### Non-Local Return

The auditors found that schedules/financial statements for the various programs included in the Consolidated Audit present fairly, in all material respects. They also found that the entities complied, in all material respects, with the compliance requirements of their respective guidelines. However, the auditors noted several compliance findings; one finding for Metrolink program, eleven findings for the TDA Article 3 program and five for the EZ Transit Pass Program. Eleven compliance findings were also identified for the INTP (6), and RRTP (5) programs. Two compliance findings for the SHORE Program and one compliance finding for Access Services were also identified. Metro Program Managers are working with the funds recipients to resolve the findings. The respective auditors will validate the resolution of the findings identified in these audits in the following years' audits.

Due to the considerable size of the documents, we have attached the Report on Compliance with Requirements Applicable to Proposition A and C and Measure R Ordinances and Proposition A and C and Measure R Local Return Guidelines by each of the firms (Attachment A through D). As a savings measure the remaining Consolidated Audit reports can be accessed online.

For the audit reports issued by Vasquez, please visit:

[http://libraryarchives.metro.net/DB\\_Attachments/Vasquez\\_Reports\\_FY17/](http://libraryarchives.metro.net/DB_Attachments/Vasquez_Reports_FY17/)  
<[http://libraryarchives.metro.net/DB\\_Attachments/Vasquez%20Reports%20FY17/](http://libraryarchives.metro.net/DB_Attachments/Vasquez%20Reports%20FY17/)>

For the audit reports issued by Simpson & Simpson, please visit:

[http://libraryarchives.metro.net/DB\\_Attachments/Simpson\\_Reports\\_FY17/](http://libraryarchives.metro.net/DB_Attachments/Simpson_Reports_FY17/)  
<[http://libraryarchives.metro.net/DB\\_Attachments/Simpson%20Reports%20FY17/](http://libraryarchives.metro.net/DB_Attachments/Simpson%20Reports%20FY17/)>

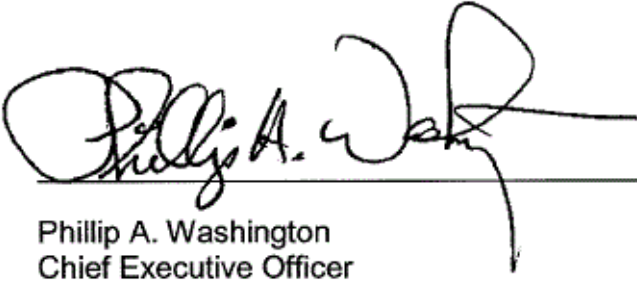
#### **ATTACHMENTS**

- A. Report on Compliance with Requirements Applicable to Proposition A and Proposition C Ordinances and Proposition A and Proposition C Local Return Guidelines (Vasquez)
- B. Report on Compliance with Requirements Applicable to Proposition A and Proposition C Ordinances and Proposition A and Proposition C Local Return Guidelines (Simpson & Simpson)
- C. Report on Compliance with Requirements Applicable to Measure R Ordinance and Measure R Local Return Guidelines (Vasquez)
- D. Report on Compliance with Requirements Applicable to Measure R Ordinance and Measure R Local Return Guidelines (Simpson & Simpson)

Prepared by: Lauren Choi, Sr. Manager, Audit, (213) 922-3926  
Monica Del Toro, Audit Support Manager, (213) 922-7494



Reviewed by: Diana Estrada, Chief Auditor, (213) 922-2161



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Phillip A. Washington  
Chief Executive Officer

Attachment A

[http://libraryarchives.metro.net/DB\\_Attachments/07062018\\_Attachment\\_A\\_Prop\\_A\\_&\\_C\\_Vasquez.pdf](http://libraryarchives.metro.net/DB_Attachments/07062018_Attachment_A_Prop_A_&_C_Vasquez.pdf)

Attachment B

[http://libraryarchives.metro.net/DB\\_Attachments/07062018\\_Attachment\\_B\\_Prop\\_A\\_&\\_C\\_Simpson.pdf](http://libraryarchives.metro.net/DB_Attachments/07062018_Attachment_B_Prop_A_&_C_Simpson.pdf)

Attachment C

[http://libraryarchives.metro.net/DB\\_Attachments/07062018\\_Attachment\\_C\\_MR\\_Vasquez.pdf](http://libraryarchives.metro.net/DB_Attachments/07062018_Attachment_C_MR_Vasquez.pdf)

Attachment D

[http://libraryarchives.metro.net/DB\\_Attachments/07062018\\_Attachment\\_D\\_MR\\_Simpson.pdf](http://libraryarchives.metro.net/DB_Attachments/07062018_Attachment_D_MR_Simpson.pdf)



## Board Report

File #: 2018-0241, File Type: Contract

Agenda Number: 9.

### FINANCE, BUDGET AND AUDIT COMMITTEE JULY 18, 2018

**SUBJECT: GENERAL LIABILITY CLAIMS ADMINISTRATION  
SERVICES**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 5 to Contract No. PS05312717, with Carl Warren & Company (CWC), for general liability claims administration services, to exercise the second, three-year option in the amount of \$7,867,714 increasing the total contract value from \$18,028,927 to \$25,896,641 and extending the contract term from November 1, 2018 to October 31, 2021.

#### **ISSUE**

Contract No. PS05312717 currently provides for public liability and property damage third-party claims administration services. The contract consists of a four-year base period and two, three-year options for a combined total of \$25,896,641.

On August 4, 2011, the Board authorized the CEO to award the ten years and two months fixed-price contract to CWC in the amount of \$25,896,641 for all ten years inclusive of two, three-year options. CWC was awarded the Contract with a base term from September 1, 2011 to October 31, 2015. Based on our assessment of current industry conditions and regional economic growth occurring since the contract award in 2011, pricing has not improved in the interim.

We are returning to the Board for authorization to exercise the second, three-year option. Staff has determined that the previously negotiated option prices with CWC are fair, reasonable and will result in cost savings to Metro. The approval of this action is required to continue processing public liability claims timely and seamlessly.

#### **BACKGROUND**

Consistent with practice of many other public agencies including the County of Los Angeles, the Los Angeles Unified School District and others, staff uses the services of a Third Party Administrator (TPA) to investigate, evaluate and resolve all general liability claims, primarily bus accidents, valued at \$50,000 or less. More than 95% of claims received are valued at less than \$50,000, including

minor property damage and bodily injury claims. In 1998, Metro assumed responsibility for claims administration in-house for claims valued at \$50,000 and greater; thereby, reducing contract costs and allowing for better control of high value claims by Metro executive management and improved coordination with counsel.

Subrogation of losses against a responsible third party is also part of the services provided by the TPA. Over the last seven years, Metro received gross recoveries of more than \$1 million annually from subrogation or cross complaints and the TPA receives an incentive fee on subrogated cash receipts. Contract incentives for subrogation recoveries are consistent with industry best practice since they encourage the TPA to recover as much as possible from third parties.

Metro received 2,706 claims in fiscal year 2016, 2,548 claims in fiscal year 2017 and estimated 2,620 claims in fiscal year 2018. The open general liability claim inventory on May 31, 2018 was 1,901 claims. Processing claims with an inventory of this size requires the issuance of approximately 700 payments monthly to claimants, attorneys, experts and others along with processing approximately 2,000 incoming and 1,000 outgoing pieces of mail. The expertise and infrastructure of a professional TPA in resolving these claims and litigation is essential for structuring a competitive and cost-effective program.

### **DISCUSSION**

Our current TPA, CWC, provides staff and management of 24 individuals to support claims administration in-house. CWC staff provides claims adjusting, 1099 and W-9 processing, initial claim data entry as well as investigation services. They receive a 20% incentive fee on subrogated cash receipts which is less than the 25% considered middle of the industry practice range. CWC subrogation recoveries exceeded \$1.3 million in each of the prior three years of the Contract.

Metro engaged an independent auditor to review 200 claim files for administration performance and best practices. The auditor randomly selected open, closed, litigated, non-litigated, and subrogated claims. The audit completed in June 2018, concluded CWC is providing satisfactory claims administration and subrogation services.

CWC was by far the lowest price proposer out of seven proposers in the competitive procurement process. CWC was also the highest scoring proposer using the weighted values defined in the original RFP document. Attachment A summarizes the procurement activity. Under the current contract, CWC meets their 21.8% commitment to small business participation through the use of subcontractor Sam Hooper and Associates. Although not a requirement at the time, the small business subcontractor is also a qualified DBE.

CWC has been in the claims industry for over 70 years and has handled claims for such clients as Long Beach Transit, Gardena Transit, County of Los Angeles, California Joint Powers Insurance Authority, Santa Clara Valley Transportation Authority and San Mateo County Transit District.

### **DETERMINATION OF SAFETY IMPACT**

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

## **FINANCIAL IMPACT**

The funding for eight months of \$1,748,381 for this action is included in the FY19 budget in cost center 0531, Non-Departmental - Risk Management, under project 100018 (PRMA-PLPD).

Since this is a multi-year contract, the Chief Risk, Safety, and Asset Management Officer will be accountable for budgeting the cost in future years. In FY18, an estimated \$2.8 million was expensed on this Contract.

### **Impact to Budget**

Approval of this action is included in the FY19 budget. The sources of funds for this action are bus and rail operations eligible and include fares and sales tax revenues. No other sources of funds were considered for this activity because TPA services almost exclusively support bus and rail operations.

## **ALTERNATIVES CONSIDERED**

Staff considered a new procurement action for TPA services; however, this alternative is not recommended. On-boarding a new contractor requires significant staff resources, lead time and opportunity costs. Once the new contractor is issued the notice-to-proceed, a transition period of six to twelve months could be expected. New staff will need to be trained on the RiskMaster claims administration system, learn the internal claims administration process and then develop valuable internal contacts to facilitate adjusting the claims timely and efficiently. Staff does not consider a new procurement as a viable option, at this time, given the availability of option years.

Staff also considered providing the service through Metro in-house staff. This alternative would require the hiring of up to 30 additional qualified full-time staff to administer the general liability claims currently administered by CWC. CWC currently provides 24 dedicated claims staff as well as additional off-site non-dedicated staff for field investigations. Hiring and retaining full-time staff would be very challenging for Metro because we would need to attract, train and retain a sufficient number of qualified employees in this industry's highly competitive market. Staff's assessment indicates this is not a cost effective option for Metro since the cost to self-administer would be similar, if not more, than the costs of contracting for this service.

## **NEXT STEPS**

Upon approval by the Board, staff will execute Contract Modification No. 5 with CWC for general liability claims administration services, to exercise the second, three-year option and extend the period of performance through October 31, 2021.

## **ATTACHMENTS**

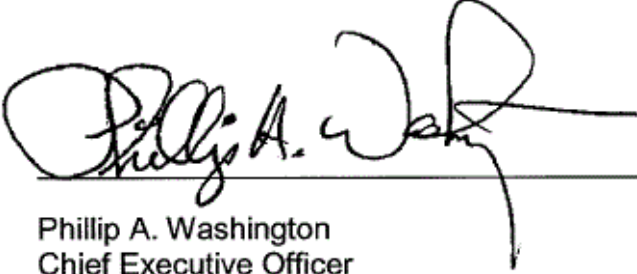
Attachment A - Procurement Summary  
Attachment B - Contract Modification/Change Order Log  
Attachment C - DEOD Summary



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Prepared by: Tim Rosevear, Manager, Risk Financing, (213) 922-6354

Reviewed by: Greg Kildare, Chief Risk, Safety and Asset Management Officer (213) 922-4971  
Debra Avila, Chief Vendor/Contract Management Officer (213) 418-3051



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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES / PS05312717

1.	<b>Contract Number:</b> PS05312717		
2.	<b>Contractor:</b> Carl Warren & Company		
3.	<b>Mod. Work Description:</b> Exercise second, three-year option		
4.	<b>Contract Work Description:</b> Provide public liability/property damage third party claims administration services.		
5.	<b>The following data is current as of:</b> 06/04/18		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	7/20/11	<b>Contract Award Amount:</b> \$ 10,307,876
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b> \$ 7,721,051
	<b>Original Complete Date:</b>	10/31/18	<b>Pending Modifications (including this action):</b> \$ 7,867,714
	<b>Current Est. Complete Date:</b>	10/31/21	<b>Current Contract Value (with this action):</b> \$ 25,896,641
7.	<b>Contract Administrator:</b> Marc Margoni		<b>Telephone Number:</b> (213) 922-1304
8.	<b>Project Manager:</b> Tim Rosevear		<b>Telephone Number:</b> (213) 922-6354

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 5 issued to continue the public liability/property damage third party claims administration services with Carl Warren & Company (CWC) by exercising the second, three-year option.

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

On July 20, 2011, the Board awarded a fixed price contract to CWC for general liability claims administration services in an amount of \$25,896,641 for a total of ten years and two months, inclusive of two, three-year options, effective September 1, 2011. The original contract award amount is \$10,307,876 for the four-year base period, \$7,721,051 for the first, three-year option (November 1, 2015 through October 31, 2018), and \$7,867,714 for the second, three-year option (November 1, 2018 through October 31, 2021).

(Refer to Attachment B – Contract Modification/Change Order Log)

**B. Cost/Price Analysis**

The recommended price for the option years has been determined to be fair and reasonable based upon the monthly rates that were established and evaluated as part of the original competitive contract award. The negotiated rates for the option years increased by an average of 1.9%, which is lower than 3.1% reported by U.S. Bureau of Labor Statistics for total compensation, and wage and salaries for private industry workers – western area for the 12-month period ending March 2018. Therefore, exercising the options is in the best interest of Metro. The Contract was a result of a competitive RFP in which the option years pricing was evaluated and deemed to be fair and reasonable.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Modification Amount</b>
\$7,867,714	\$10,800,000	<b>\$7,867,714</b>

**CONTRACT MODIFICATION/CHANGE ORDER LOG**  
**GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES**

**CONTRACT NO. PS05312717**

<b>Mod. No.</b>	<b>Description</b>	<b>Date</b>	<b>Amount</b>
1	Revise Section SP 11, Subrogation Recoveries to clarify requirements (workers' compensation)	10/28/14	\$0
2	Revise Section SP 11, Subrogation Recoveries to clarify requirements (pursue restitution)	10/28/14	\$0
3	Approve Subcontractor Substitution	11/21/14	\$0
4	Exercise First, Three-Year Option extending period of performance through October 31, 2018	10/13/15	\$7,721,051
5	<b>Exercise Second, Three-Year Option</b>	<b>Pending</b>	<b>\$7,867,714</b>
	<b>Modification Total:</b>		<b>\$15,588,765</b>
	<b>Original Contract:</b>	<b>7/20/2011</b>	<b>\$10,307,876</b>
	<b>Total:</b>		<b>\$25,896,641</b>

## DEOD SUMMARY

## GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES / PS05312717

**A. Small Business Participation**

Carl Warren & Company (CWC) made a 21.8% Disadvantaged Business Enterprise (DBE) commitment. The project is 90% complete and CWC is exceeding their DBE commitment with a current DBE participation of 22.34%. DBE subcontractor Fu-Gen, Inc. ceased operations in 2014. Subsequently, Carl Warren added Sam Hooper & Associates to meet their DBE commitment.

<b>Small Business Commitment</b>	<b>21.8% DBE</b>	<b>Small Business Participation</b>	<b>22.34% DBE</b>
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	<b>DBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	Fu-Gen, Inc.	21.8%	10.08%
2.	Sam Hooper & Associates	Added	12.26%
	<b>Total</b>	<b>21.8%</b>	<b>22.34%</b>

<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 (LW/SCWRP) is not applicable to this Contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this Contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract.



Board Report

File #: 2018-0389, File Type: Contract

Agenda Number: 11.

**FINANCE, BUDGET AND AUDIT COMMITTEE  
JULY 18, 2018**

**SUBJECT: BUS DRIVER CONTROL UNITS FOR TAP FAREBOXES**

**ACTION: APPROVE CONTRACT AWARD**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Contract No. DR54997000 to Golden Star Technology, Inc. (GST) for the purchase of 2,963 tablet devices to be mounted to the bus farebox, required for the farebox upgrades to serve as the bus operator’s Driver Control Unit (DCU), in the amount of \$5,877,413.32, subject to resolution of protest(s), if any.

**ISSUE**

In June 2018, staff presented Part 1 of contract award recommendations to the Board for fare collection equipment to upgrade aging bus fareboxes to enhance system security, prepare for new payment technologies and ensure near real-time communications.

This contract award for the tablet devices is Part 2 of the two-part procurement strategy to upgrade the TAP fareboxes.

**DISCUSSION**

Staff recommended this upgrade approach to address equipment obsolescence, enhance security of the fare collection system and prepare for new payment technologies including open payments.

The tablet-based Driver Control Unit (DCU) will be mounted to the bus farebox and is required to control and manage the bus farebox. The DCU features large full-color, high-definition display, with adjustable brightness and larger buttons for fare classification. The display is anti-glare, and bus operators are able to operate the tablet while wearing gloves. A comparison between the old and new bus operator control units can be seen in Attachment C.

**DETERMINATION OF SAFETY IMPACT**

No adverse safety impacts are anticipated.

**FINANCIAL IMPACT**

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The funding for the tablet devices is included in the \$45 million Life-of-Project budget for all Metro costs of fare collection equipment purchase, installation, and necessary software upgrades.

Impact to Budget

The funding for this contract will be included in the FY19 budget. The sources of funding for this project will be State Local Partnership Program (LPP) formula funds and local funds. The State LPP funds require a dollar for dollar match of local funds and are not eligible for bus and rail operations. The Executive Officer of TAP and Project Manager will be responsible for budgeting costs in future years, if needed.

**ALTERNATIVES CONSIDERED**

The Board may choose not to award the contract for the tablet devices. This is not recommended as complementary hardware and software for the farebox upgrades have been already awarded in June as Part 1 of the procurement strategy.

As transportation infrastructure is completed and new visitors arrive in Los Angeles for the 2028 Summer Olympics, it is important that TAP equipment is also upgraded to complement the enhanced infrastructure and provide visitors state-of-the-art fare payment options.

**NEXT STEPS**

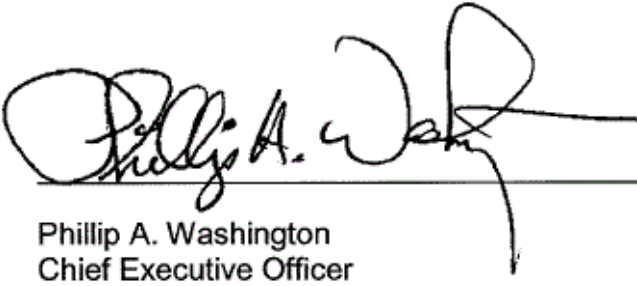
Upon Board approval, staff will execute Contract No. DR54997000 with Golden Star Technologies Inc. (GST) to proceed with the purchase of the tablet devices to complete installation. The farebox upgrades will be completed within one year of Notice-to-Proceed (NTP).

**ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - Comparison of Old and New Bus Operator Control Units

Prepared by: Mauro Arteaga Jr., Senior Director, TAP Technical Systems, (213) 922-2953  
David Sutton, Executive Officer, Finance/TAP, (213) 922-5633

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer



## PROCUREMENT SUMMARY

## GETAC TABLETS &amp; MOUNTS DR54997000

1.	<b>Contract Number:</b> DR54997000	
2.	<b>Recommended Vendor:</b> Golden Star Technology, Inc. (GST)	
3.	<b>Type of Procurement (check one):</b> <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	A. <b>Issued:</b> June 13, 2018	
	B. <b>Advertised/Publicized:</b> June 14, 2018	
	C. <b>Pre-Bid Conference:</b> N/A	
	D. <b>Proposals Due:</b> July 6, 2018	
	E. <b>Pre-Qualification Completed:</b> Pending	
	F. <b>Conflict of Interest Form Submitted to Ethics:</b> July 6, 2018	
	G. <b>Protest Period End Date:</b> July 25, 2018	
5.	<b>Solicitations Picked up/Downloaded:</b> 12	<b>Bids/Proposals Received:</b> 1
6.	<b>Contract Administrator:</b> Anush Beglaryan	<b>Telephone Number:</b> (213) 418-3047
7.	<b>Project Manager:</b> Mauro Arteaga	<b>Telephone Number:</b> (213) 922-2953

**A. Procurement Background**

This Board Action is to approve Contract No. DR54997000 issued in support of Metro's Farebox Upgrade Project, to procure Getac brand tablets, mounts and additional warranty. Board approval of contract awards are subject to resolution of any properly submitted protest.

IFB No. DR54997 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

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

- Amendment No. 1, issued on July 2, 2018 amended Exhibit 2 – Schedule of Quantities & Prices;
- Amendment No. 2, issued on July 3, 2018 clarified California Recycling Fee;

A total of one bid was received on July 6, 2018. Metro staff conducted a market survey to determine why there were no other bid submittals as per the Acquisition Policy and Procedures Manual. Only one firm responded. The firm stated they just decided not to bid.

**B. Evaluation of Bids**

This procurement was conducted in accordance, and complies with LACMTA’s Acquisition Policy for a competitive sealed bid. One bid was received from Golden Star Technology, Inc. (GST). GST met all of the requirements specified in the IFB and was determined to be technically responsive.

**C. Price Analysis**

The recommended bid price from GST was evaluated in compliance with Metro’s Acquisition Policies and Procedures. Staff conducted a price analysis of the bid. Based on the price analysis, technical analysis, fact-finding and clarifications with the bidder, then final agreed to price of \$5,877,413.32 has been determined to be fair and reasonable.

<b>Bidder Name</b>	<b>Bid Amount</b>	<b>Metro ICE</b>
Golden Star Technology, Inc. (GST)	\$ 5,877,413.32	\$5,504,456.00

**D. Background on Recommended Contractor**

The recommended firm, Golden Star Technology, Inc. (GST) located in Cerritos, California has been in business for 30 years, and is a leader in the field of advanced information technology and audio visual solutions. GST serves customers both in the United States and in Asia. GST is a woman-owned minority business.

Although GST has not done business with Metro, it has extensive experience with agencies such as the County of Los Angeles, Long Beach Unified School, District, County of Riverside and many others.

DEOD SUMMARY

**BUS DRIVER CONTROL UNITS FOR TAP FAREBOXES / CONTRACT NO. DR54997**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department did not establish a Small Business Enterprise (SBE) goal for this solicitation due to lack of subcontracting opportunities. According to the Project Manager, the tablets are manufactured as a single device solution that cannot be taken apart without damaging the hardware, and the vehicle docking mounts will be installed by Metro personnel. Golden Star Technology, Inc. (GST) did not make a SBE commitment.

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

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable on this contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

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

## Attachment C – Old and New Bus Operator Driver Control Units

### OLD bus operator control unit

- Poor contrast on screen
- Small font
- Hard-to-press keys
- Glare in the sun



### NEW bus operator Driver Control Unit (DCU)

- High-definition display
- Touchscreen
- Anti-glare
- Glove compatible





# Metro

## Master

File Number: 2018-0389

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

**File ID:** 2018-0389

**Type:** Contract

**Status:** Agenda Ready

**In Control:** Finance, Budget  
and Audit  
Committee

**File Created:** 06/07/2018

**Final Action:**

**Title:** AUTHORIZE the Chief Executive Officer to execute Contract No. DR54997000 to Golden Star Technology, Inc. (GST) for the purchase of 2,963 tablet devices to be mounted to the bus farebox, required for the farebox upgrades to serve as the bus operator's Driver Control Unit (DCU), in the amount of \$5,877,413.32, subject to resolution of protest(s), if any.

**Sponsors:** Finance and Budget and Audit Committee

**Attachments:** Attachment A - Procurement Summary.pdf,  
Attachment B - DEOD Summary.pdf, Attachment C -  
Old OCU vs. New DCU Comparison

### History of Legislative File

Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
OCEO Draft Review	06/29/2018					
Finance, Budget and Audit Committee	07/18/2018					
Board of Directors - Regular Board Meeting	07/26/2018					



## Board Report

File #: 2018-0318, File Type: Policy

Agenda Number: 12.

### FINANCE BUDGET AND AUDIT COMMITTEE JULY 18, 2018

**SUBJECT: GREATER LEIMERT PARK VILLAGE CRENSHAW  
CORRIDOR BUSINESS IMPROVEMENT DISTRICT**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

APPROVE Metro's participation in the Leimert Park Village Corridor Business Improvement District for a period of five years commencing January 1, 2019 through December 31, 2023 for an estimated amount of \$62,000.

#### **ISSUE**

The Leimert Park Village Crenshaw Corridor Business Improvement District (BID) is requesting a five-year authorization for BID services. The BID will have an annual assessment to improve and convey special benefits to properties located within the BID area. The BID will provide improvements and activities, including implementation of a Clean and Safe Program, Marketing Program, and management costs as well as an operating contingency.

#### **DISCUSSION**

The goals of the BID are to:

- improve the safety of each individual parcel within the District;
- increase building occupancy and lease rates; and
- encourage new business development.

Establishment of the BID is a two-step process that includes (1) submission of favorable petitions from property owners representing more than 50% of total assessments to be paid; and (2) return of mail ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

Metro has supported the formation of BIDs when the service or improvements provide a direct benefit to Metro properties, employees, and customers. Under Proposition 218, the assessing agency that proposes an assessment identifies all parcels that will receive a special benefit. The special benefit for each parcel is determined by: (1) the relationship of the capital cost of a public improvement; (2)

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the maintenance and operation of a public improvement; or (3) the cost of the property-related services being provided. No assessment can be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit on that parcel. All publicly-owned parcels are required to pay their proportional share of costs based on the special benefits conferred to those individual parcels. Only special benefits are assessable. The special benefit to Metro parcels will be an increase in District customers, an increased likelihood of attracting and retaining employees that follows from having a cleaner and safer area, increased use of the public facilities, and increased attraction to the neighborhood. Proposition 218 provides that parcels within a district that are owned or used by any agency "...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that the property will receive no benefit".

The Metro Board adopted the Guidelines on Metro Participation in Proposed Assessment Districts ("Guidelines", see Attachment E) in June 1998. The Guidelines require staff to analyze each assessment district based on whether it provides a benefit to Metro properties, facilities, Metro employees, and/or Metro's passengers, or reduce costs for the agency. Staff is to provide the Board with an analysis, on a case-by-case basis, that determines whether Metro property benefits from the proposed services or improvements; and whether the benefit to the property exceeds the cost of the assessment. An evaluation of the BID's benefits to Metro is attached (see Attachment C).

#### Description of BID

The BID will have an five (5) year life beginning January 1, 2019 and ending December 31, 2023. The BID Steering Committee collectively determines the programs and priorities for improvements within BID's boundaries. BIDs are administered by professional management.

#### Clean and Safe

To consistently deal with matters of cleanliness, a Clean and Safe Program will be provided. The BID personnel will sweep litter, remove debris and refuse from sidewalks and gutters. Additionally, the BID will remove graffiti.

#### Marketing

A marketing program to communicate the changes that are taking place in the BID and to enhance the positive perception of the BID's service. This program will develop the marketing of the BID as a communication strategy focused around the cultural, historical, and commercial story of the BID.

#### Management

The improvements and activities are managed by a professional staff that requires centralized administrative support. Management oversees contracts, preparation of annual and quarterly reports in addition to policy efforts around the further promotion of the BID's needs.

#### **DETERMINATION OF SAFETY IMPACT**

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

#### **FINANCIAL IMPACT**

The BID's proposed assessment for Calendar Year 2019 is \$10,862.80. The assessments will be subject to annual increases not to exceed 5% per year (see Attachment D for full schedule).

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Assuming a 5% increase per year, the total cost to Metro over the eight-year term of the BID is projected to be \$60,024.

Impact to Budget

All funding is paid out of the Non-Departmental Real Estate Accounts-Cost Center 0651, Project 300044, Account 50799-and is included FY19 budget for Countywide Planning and Development. Funding source is ordinary operating funds including fares and sales tax revenues. These funds are eligible for bus and rail operations.

**ALTERNATIVES CONSIDERED**

Metro could refrain from signing the petition and casting a ballot. This alternative is not recommended. Based on the evaluation of the benefits to Metro, participation in the BID is recommended.

**NEXT STEPS**

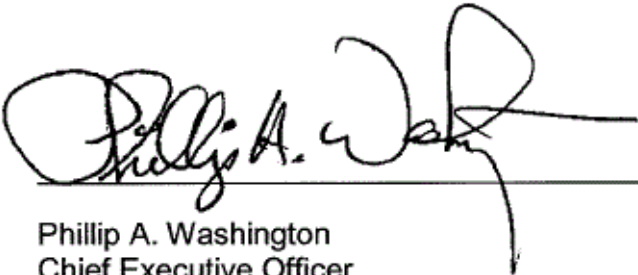
Execute petition and participate in the BID.

**ATTACHMENTS**

- Attachment A - BID Management Plan
- Attachment B - Map of Bid
- Attachment C - Evaluation of BID's Benefit to Metro
- Attachment D - Metro Owned Parcels in BID and 5-Year Costs

Prepared by: John Beck, Principal Real Estate Officer, Countywide Planning & Development, (213) 922-4435  
John Potts, Interim Executive Officer, Countywide Planning & Development, (213) 418-3397

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



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Phillip A. Washington  
Chief Executive Officer



## II. Business Improvement District Boundaries

### Overall Boundary (Also see map, page 11)

The Greater Leimert Park Village/Crenshaw Corridor Business Improvement District includes all property within a boundary formed by:

Beginning at the northwest corner of parcel 5044-004-025, then east along the north line of said parcel to east line of said parcel, then south along the east line of parcel 5044-004-025 and the east line of parcels abutting the east side of Crenshaw Boulevard to the south side of Exposition Boulevard, then east along the north line of parcel 5044-002-900 to the east line of said parcel to the south line of said parcel, then to the west side of Bronson Avenue, then south to the south side of Rodeo Road, then east to east line of parcel 5033-001-020, then south along the east line of parcel 5033-001-020 to the south side of Coliseum Street, then west to the west side of Bronson Avenue, then south along the east line of parcel 5033-003-019 and the east line of parcels abutting the east side of Crenshaw Boulevard to the north side of 39<sup>th</sup> Street, then west to the east side of Crenshaw Boulevard, then south to point closest to the northwest corner of parcel 5033-004-901, then across and east along the north line of said parcel to the east line of said parcel, then south along the east line of parcel 5033-004-901 and the east line of parcels abutting the east side of Crenshaw Boulevard to the south side of Martin Luther King, Jr. Boulevard, then east to the west side of McClung Drive, then south to the southeast corner of parcel 5013-009-015, then west to the east line of the parcels abutting the east side of Crenshaw Boulevard, then south along the east line of the parcels abutting the east side of Crenshaw Boulevard to the point closest to the north line of parcel 5024-017-001, then across and east along the north line of said parcel and the north line of the parcels abutting the north side of 43rd Street to the west side of Leimert Boulevard, then south along the west side of Leimert Boulevard to its intersection with the east side of Crenshaw Boulevard, then north along the east side of Crenshaw Boulevard to a point directly east of parcel 5013-013-013, then west along the south line of parcels 5013-013-013 and 014 to the southwest corner of parcel 5013-013-014, then north along the west line of said parcel and the parcels abutting the west side of Crenshaw Boulevard to Stocker Street, then across Stocker Street to a point in the south line of parcel 5032-002-040 on the north side of Stocker Street, then southwesterly along the north side of Stocker Street to the southeasterly side of Santa Rosalia Drive, then northwesterly along the east side of Santa Rosalia Drive to the east side of Buckingham Drive, then north along the east side of Buckingham Drive to the southwesterly side of Martin Luther King, Jr. Boulevard, then south along the southwesterly side of Martin Luther King, Jr. Boulevard to the southeasterly side of Marlton Avenue, then northerly along the easterly side of Marlton Avenue to the north side of 39<sup>th</sup> Street, then west along the south side of parcel 5045-019-040 to the

west side of said parcel, then north along the west side of parcel 5045-019-040 and the west line of parcels abutting the west side of Crenshaw Boulevard to the north side of Rodeo Place, then north along the west side of parcels abutting the east side of Victoria Avenue to the northwest corner of parcel 5046-022-900 , then across Exposition Boulevard to parcel 5046-040-905 and north along the western side of said parcel and east along the north line of said parcel to the west side of parcels abutting the west side of Crenshaw Boulevard, then north along the western line to the northwest corner of parcel 5046-001-047, then east along the north side of said parcel to the northwest corner of parcel 5044-004-025.

### **Zone Boundary Description (Also see map, page 11)**

#### **Zone 1:**

Commercial areas along Crenshaw Blvd (excluding the Baldwin Hills Mall), Marlton Square, the core Leimert Park Village area parcels, and the commercial area along Leimert Blvd. make up Zone 1. The area along Crenshaw Blvd. includes both sides of Crenshaw Blvd. from the south side of Jefferson Blvd. to the north side of 39th St., the east side of Crenshaw from parcel 5033-004-901 to the north side of Stocker St., and both sides of Crenshaw Blvd. from the south side of Stocker St. to parcel 5013-013-013 just south of W. Vernon Avenue on the west side and parcel 5024-018-008 just north of the parcel at the northeast corner of Crenshaw Blvd. and 43<sup>rd</sup> Pl, on the east side of Crenshaw Blvd. Marlton Square is bounded by Martin Luther King, Jr. Blvd. to the north, Santa Rosalia Dr. to the south, Buckingham Rd. to the west and Marlton Ave. to the east. The Leimert Park Village area is bounded by the northern boundary of the parcels abutting the north side of W. 43rd St., the southern boundary of the parcels abutting the north side of W. 43rd Pl., and parcels facing Degnan Blvd. on both the east and west. The area along Leimert Blvd. includes parcels abutting the west side of Leimert Blvd. from 43rd St. to the intersection of Leimert Blvd. and Crenshaw Blvd., and will include two Metro stations, one located at Exposition Blvd. and Crenshaw Blvd., the other located at Crenshaw Blvd. and Vernon Ave. in Leimert Park Village.

#### **Zone 2:**

Crenshaw Mall parcels make up Zone 2. This zone is bounded by 39th St. to the north, Santa Rosalia Dr. and Stocker St. to the south, Marlton Ave. to the west and Crenshaw Blvd. to the east. It will also include a Metro station located at the Baldwin Hills Crenshaw Plaza shopping mall at the corner of Martin Luther King, Jr. Blvd. and Crenshaw Blvd.

### **District Boundary Rationale**

The property land uses within the general boundaries of the District are a mix of retail, restaurant, art, office, parking, government, and mixed-use commercial uses. Leimert Park is unique in that for over 50 years it has been an important center of African-American art and culture as well as a center of commerce in the African-American community. Crenshaw Plaza/Baldwin Hills Mall, which is within the District, was one of the first large shopping malls developed in the United States. The boundaries for the Leimert Park BID were established in

2003 in an effort to respect the historic nature of the commercial district and bring revitalization to the district.

In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. All of the services provided, such as the cleaning work provided by the Clean Team, are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District. Improvements and services will only be provided to each individually assessed parcel within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels within the District and will not provide services outside of District boundaries. Nor will District promotional efforts promote activities outside of District boundaries.

Northern Boundary:

The northern boundary of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District is Jefferson Boulevard. These programs are not designed to provide special benefit to the residential uses outside of District boundaries because District programs are designed to provide special benefits to the retail, restaurant, art, office, parking, government, and mixed-use commercial uses in the form of increasing commercial building occupancy and lease rates, encouraging new business development, enhancing pedestrian pathways and encouraging commerce. Programs funded with the assessment, will only be provided to individual assessed parcels within the boundaries of the District.

Parcels directly north of Jefferson Boulevard differ from District uses in that they are part of the Jefferson Park community and are outside of the Crenshaw Corridor pathway that pedestrians will transverse between the Metro rail line stations at Exposition Boulevard, Martin Luther King, Jr. Boulevard and 43rd Place. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Eastern Boundary:

The eastern boundary of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District varies between the west side of Leimert Boulevard on the south and the eastern parcel line of parcels facing on the east side of Crenshaw Boulevard, except for the residentially zoned parcels on the east side of Crenshaw Boulevard between 39<sup>th</sup> Street and Martin Luther King, Jr. Blvd. This boundary was determined because properties within the district are commercial while properties outside the eastern district boundary are solely residential in use and will not specially benefit from the unique improvements and services which are designed to provide special benefits in the form of improving the economic and

environmental vitality while preserving and strengthening the historical nature of the commercial uses within the District.

These programs are not designed to provide special benefit to the solely residential uses outside of District boundaries. District programs are designed to benefit commercial parcels because District programs are designed to provide special benefits to the retail, restaurant, art, office, parking, government, and mixed-use commercial uses in the form of increasing commercial building occupancy and lease rates, encouraging new business development, and encouraging commerce. Specifically, sidewalk cleaning personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Southern Boundary:

The southern boundary is the southern parcel line of parcels 5013-013-013, 5013-013-014, and 5013-023-007. This boundary was determined because properties along Crenshaw Boulevard are of similar commercial use as the retail, restaurant, art, office, parking and mixed-use commercial uses as parcels 5013-013-013, 5013-013-014, and 5013-023-007. Parcels 5013-013-013 and 5013-013-014 are on the south west corner of Crenshaw Boulevard and Vernon Avenue, a multi-story bank building, are included in the District to provide District programs to all four corners of the intersection. The street on the south side of parcel 5013-013-013 is used as a street connecting S. Victoria Avenue and Crenshaw Boulevard and acts as a district boundary. Parcels south of the District boundary are a mix of residential intermingled with an occasional small commercial use.

The parcels south of the District boundary represent the dividing boundary between Council Districts 8 and 10 and are identified in the Council District 8 new Destination Crenshaw plan which is being created as a community planning area distinct from the adjacent historic Leimert Park Village located within the proposed District Boundary. Parcels south of the District boundary will not specially benefit from the District marketing program which is designed to increase awareness of historic Leimert Park Village and increase commerce to the historic commercial businesses within the District boundary. The parcels are not part of the traditional Leimert Park Village area and don't further the goal of improving the economic and environmental vitality while preserving and strengthening the historical nature of the commercial uses within the District. Parcels south of Stocker Avenue and west of Crenshaw Boulevard are in an unincorporated area of Los Angeles County and are not included within the District boundaries because property-based business improvement districts cannot cross governmental jurisdiction lines without the approval of both jurisdictions. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only monitor and provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

**Western Boundary:**

The western boundary of the Leimert Park Village/Crenshaw Business Improvement District is the western parcel line of parcels on the west side of Crenshaw Boulevard beginning with parcel 5013-013-013 and heading north to Stocker Street. At Stocker Street turn west along Stocker Street to Santa Rosalia Drive. At Santa Rosalia Drive turn northerly along Santa Rosalia Drive to Buckingham Road. At Buckingham Road turn northerly to Martin Luther King, Jr. Boulevard. At Martin Luther King, Jr. Boulevard turn easterly to Marlton Avenue. At Marlton Avenue turn northerly to 39th Street. At 39th Street continue northerly along the western parcel line of parcels on the west side of Crenshaw Boulevard to Rodeo Place, then continue northerly along the western border of parcels 5046023012, 5046023013, 5046023014, 5046023015, 5046023016, 5046023017, 5046023018, 5046023019, 5046023020, 5046023021, and 5046023023, then northerly along the western parcel line of parcels on the west side of Crenshaw Boulevard to Jefferson Boulevard.

This boundary was chosen for its unique commercial uses including regional medical center, and mall restaurant/retail. Parcels west of the District boundary are zoned solely residential which are excluded by State Law from being included within the District or are commercially zoned parcels that area not being used for commercial uses. The commercial zoned uses on the southwest side of Santa Rosalia Dr. are religious, recreational and residential and do not depend on pedestrian traffic to support commercial activity. These parcels outside the District will not specially benefit from the District programs, which are specifically designed to improve pedestrian traffic and provide special benefit to the parcels that have retail, restaurant, art, office, parking, government, and mixed-use commercial uses within the District. Services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

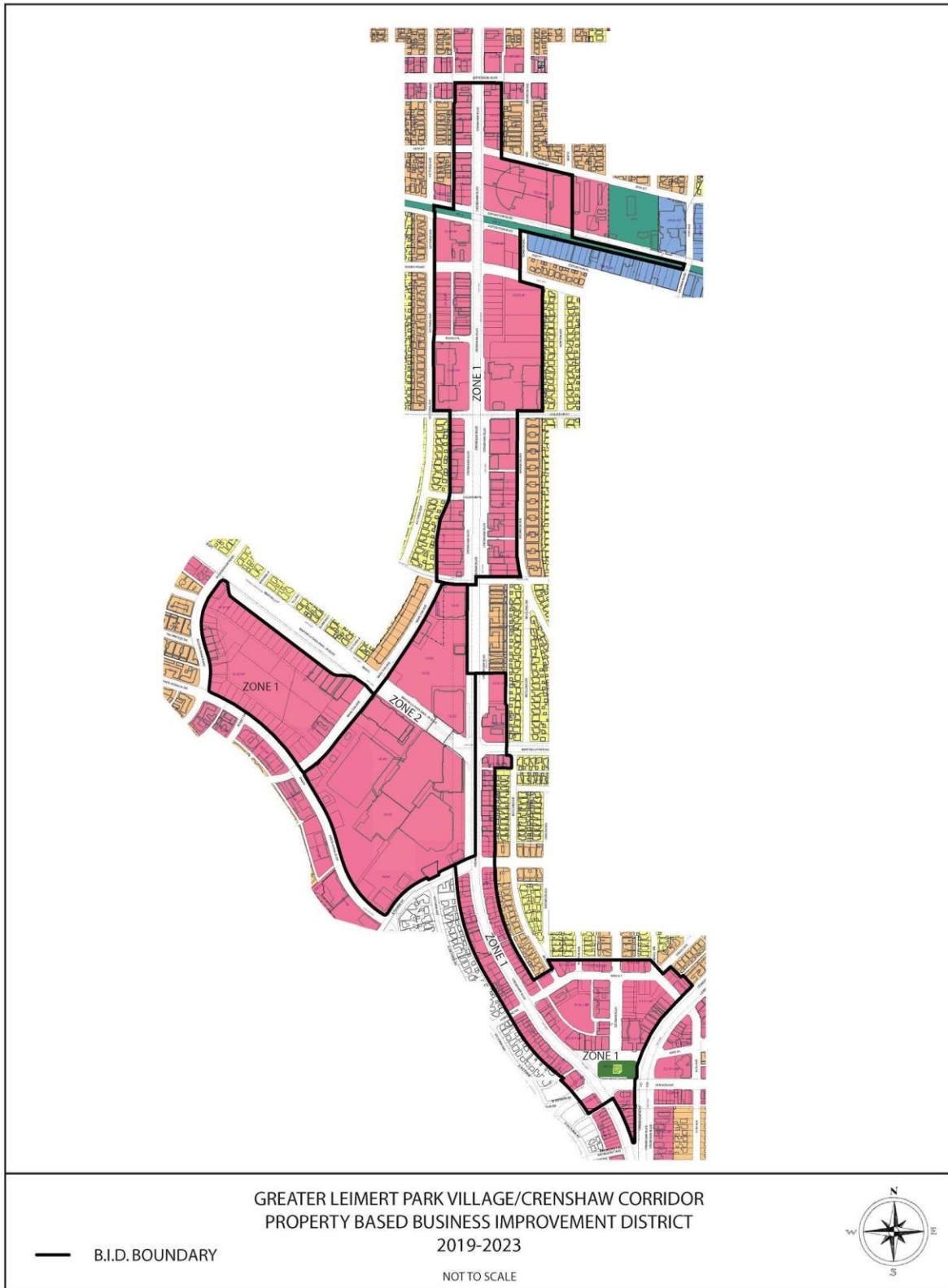
**Zone 1 Boundary:**

Zone 1 includes the core of the Leimert Park Village, parcels on the west side of Leimert Boulevard, parcels along Crenshaw Boulevard (not including the Crenshaw Mall), and Marlton Square. This area has the highest pedestrian counts generated by the businesses and the highest demand for clean and beautiful services.

**Zone 2 Boundary:**

Zone 2 consists of the Crenshaw Mall parcels. This zone is bounded by 39th St. to the north, Santa Rosalia Dr. and Stocker St. to the south, Marlton Ave. to the west and Crenshaw Blvd. to the east. Zone 2 has a lower need for Marketing and Clean and Safe services than Zone 1 due to the Mall service infrastructure.

MAP OF GREATER LEIMERT PARK VILLAGE CRENSHAW CORRIDOR BID



**EVALUATION OF GREATER LEIMERT PARK VILLAGE CRENSHAW CORRIDOR  
 BID-BENEFIT TO MTA FOR PERIOD 2019-2023**

**Evaluation of Benefits to MTA**

The proposed BID includes six (6) parcels owned by MTA. The largest group of parcels is improved along the Expo Line at Crenshaw Boulevard and Exposition Boulevard.

The total proposed District budget for the 2019 year of operation is approximately \$450,000.00. Assessments may be subject to annual increases not to exceed 5% each year, if implemented. The budget will cover improvements, activities and services which include (1) enhanced safety programs such as monitoring vacant parcels for broken security fencing and reporting to property owners; and (2) clean programs such as sidewalk sweeping, sidewalk pressure washing graffiti and handbill removal, and trash removal. The proposed 2019 Arts BID assessment to LACMTA owned properties is estimated to be \$10,862.80 which is approximately 2.6% of the total BID assessment.

**Analysis of Benefit to MTA**

The Guidelines on MTA Participation in Proposed Assessment Districts (“Guidelines”) established general guidelines for determining benefits to MTA properties as outlined below. A list of MTA properties included in the proposed BID is attached, with an indication of the benefit to MTA according to MTA’s guidelines. (Attachment 4). The guidelines require an analysis of each new assessment district service and/or improvement based on whether it improves MTA property or facility, benefit MTA employees, benefit the MTA riding public or reduce costs for the MTA.

Following is the analysis of benefits to MTA from the Greater Leimert Park Village Crenshaw Corridor Business Improvement District based on the Guidelines.

**TIER 1 – NO BENEFIT**

- Subsurface easements
- Aerial easements
- Right of Way – Exposition Line
- Vacant Land

**TIER 2 – MINOR OR NO POTENTIAL BENEFIT**

- Parking Lots – 4444 Crenshaw Boulevard

**TIER 3 – MINOR OR SOME POTENTIAL BENEFIT**

- Bus Division – None
- Bus Terminals – None
- Customer Service Centers - None
- USG Headquarters Building – None
- Maintenance Facilities – None
- Rail Division – None
- Rail Terminus –None
- Stations – Expo Crenshaw Station
- Miscellaneous Buildings –3610 Crenshaw Boulevard, 3630 Crenshaw Boulevard, 4330 Crenshaw Boulevard, and 3510 Exposition Boulevard used for material storage—employees access periodically.

LACMTA property located along Crenshaw Boulevard receive the benefit of enhanced security patrol in the general area. The BID's removal of graffiti will benefit the properties at the Expo Line Crenshaw Station, 3610 Crenshaw Boulevard, 3630 Crenshaw Boulevard and 3510 Exposition Boulevard as they have street frontage and may experience tagging along the exterior fence. The overall improvement of the District makes the area around MTA's property more attractive to development which results in an increase to overall property values in the area of MTA's facilities. Support for the BID will continue the enhanced security, maintenance programs that are above and beyond services currently provided by the City of Los Angeles in the area.

#### TIER 4 – ACTUAL BENEFITS

LACMTA Benefits –The LACMTA Property fronting on a public street benefits from the BID services and pay 100% assessment if it is determined that it has some potential benefit. The services provided are categorized as Clean and Safe Program which includes security services. The special benefit to assessed parcels from these services increase the likelihood of increased commercial activity in the area which will provide a benefit to MTA's customers. The Clean and Safe Program will provide sidewalk cleaning by uniformed, radio equipped personnel who will sweep litter, debris and refuse from sidewalks, and gutters and pressure wash the sidewalks. Personnel will collect trash from sidewalk trash receptacles as needed. Graffiti will be removed by painting, using solvent and pressing washing. The District will maintain a zero tolerance graffiti policy and to remove all tags within 24 hours on weekdays.

The enhanced safety activities will make the areas included in the BID more attractive for businesses, customers, and residents, employees and ultimately private investment. The Clean and Safe activities benefit each assessed parcel by providing a clean and aesthetically appealing environment. These activities create the environment needed to achieve the BID's goals and provide special benefits to the individual parcels participating in the BID.

Implementation of the BID will not decrease MTA's maintenance expenses associated with the properties except in the area of sidewalk maintenance and graffiti removal from building and walls/fences fronting on Crenshaw Boulevard and Leimert Boulevard.



The BID will enhance the environment of the area around the Expo Line Crenshaw Station making the area cleaner and safer for MTA customers.

## Metro Assessed Parcels within BID Boundaries

Parcel	Address	Frontage <i>Linear Ft.</i>	Lot <i>Square Ft.</i>	Building <i>Square Ft.</i>	2019 Assessment
5013-023-900	4444 Crenshaw Boulevard	421	342	157	2,126
5024-018-904	4330 Crenshaw Boulevard	198	610	747	2,122
5044-002-900	No Address	2,107	2,390	-	2,584
5044-002-901	3630 Crenshaw Boulevard	255	459	305	1,750
5044-002-902	3510 Exposition Boulevard	126	513	556	1,556
5046-040-905	No Address	774	532	-	725
	<b>Total</b>	<b>3,881</b>	<b>4,846</b>	<b>861</b>	<b>\$10,863.00</b>

Over Five-year renewal period (2019-2023) with five percent (5%) cost escalation year-over-year:

Year	Assessment
2019	\$10,862.80
2020	\$11,405.94
2021	\$11,976.24
2022	\$12,575.05
2023	\$13,203.80
<b>Total</b>	<b>\$60,023.83</b>