

**Board Report**

---

**File #:** 2018-0534, **File Type:** Contract

**Agenda Number:** 41.

---

**EXECUTIVE MANAGEMENT COMMITTEE  
SEPTEMBER 20, 2018**

**SUBJECT: DISADVANTAGED AND SMALL BUSINESS ENTERPRISE CERTIFICATION SERVICES**

**ACTION: AWARD BENCH CONTRACTS**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD task order based bench Contract Nos. PS51863000 through PS51863002 to the firms listed below to provide disadvantaged and small business enterprise certification services for a four-year base term in an amount not to exceed \$1,997,880, with two, one-year options, each in an amount not to exceed \$499,470, for a total not to exceed amount of \$2,996,820, subject to resolution of protest(s), if any. The following firms are recommended for award:
1. Gail Charles Consulting Services, LLC
  2. HSW Services, Inc.
  3. Small Business Enterprise Utilization Services
- B. EXECUTE individual task orders under these Contracts for disadvantaged and small business enterprise certification services in a total amount not-to-exceed \$2,996,820; and
- C. AUTHORIZE the CEO to award contracts to additional qualified firms throughout the term of this Contract to assist in the performance of this work.

**ISSUE**

The passage of Measure R, Measure M and the approval of the accelerated "Twenty-Eight by 28" projects task Metro with the responsibility to construct multi-billion dollars' worth of rail and highway projects in Los Angeles County. Projects such as the Purple Line Extension, Crenshaw/LAX Transit project, and Regional Connector Transit project will provide an alternative transportation option and significant economic development. These projects will require an extensive pool of Disadvantaged Business Enterprise (DBE) and/or Small Business Enterprise (SBE) certified firms to meet the high volume of highway and transit infrastructure work and increase the pool of certified DBE and SBE firms available to participate in Metro contracts. With over 1,800 firms currently DBE and/or SBE certified with Metro, and the anticipated number of firms applying for certification with Metro's growing

infrastructure, consultants will be able to assist Metro in meeting mandates that hold specific goals for engaging small businesses.

## **BACKGROUND**

Metro is a certifying agency under the California Unified Certification Program (CUCP) in accordance with 49 Code of Federal Regulations (CFR) Part 26, Department of Transportation DBE program. The CUCP consists of four DBE certifying agencies in the Southern California region: City of Los Angeles (CLA), San Diego County Regional Airport Authority (SDCRAA), California Department of Transportation (Caltrans), and Metro. Though the CLA and SDCRAA are DBE certifying agencies the CLA has limited its acceptance of DBE certification applications to businesses only located within the City of Los Angeles and both CLA and SDCRAA focuses on Airport Disadvantaged Business Enterprise (ACDBE) certification. Metro receives the bulk of applications within Los Angeles County and the region. Along with certifying firms under the CUCP, Metro has its own SBE certification program which adds to the volume of applications processed on an annual basis.

## **DISCUSSION**

Close to 400 firms were certified by Metro in Fiscal Year 2018 alone. With the mega projects and all other Metro projects that require goals, the number of applications for certification is expected to grow. Metro also processes expedited certifications for firms trying to meet bid or proposal due dates. Other agencies also refer applicants to Metro for DBE certification. The use of consultants will provide access to professional resources to maximize opportunity for businesses to obtain certification. Consultants will augment the current staff resources to ensure that Metro is compliant in accordance with 49 CFR Part 26 and Metro's SBE policy. The regulation requires strict protocols and criteria, including a detailed review of each firm's eligibility through mandated onsite visits. These consultants will also assist to provide technical assistance to business applicants.

## **DETERMINATION OF SAFETY IMPACT**

Approval of these Contracts will not impact the safety of Metro's patrons or employees.

## **FINANCIAL IMPACT**

Funding of \$500,000 is included in the FY19 budget in cost center 2130, Diversity and Economic Opportunity under project 100001, General Overhead. Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for budgeting the cost in future years.

### **Impact to Budget**

The source of funds for these services is federal, state, and local which are eligible for bus and rail operating costs. No other sources of funds were considered because these funds are programmed for this use.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This item ties to Goal 5 - Provide responsive, accountable, and trustworthy governance within the Metro organization. Specifically, section 5.5 - Metro will expand opportunities for businesses and external organizations to work with us. As a certifying agency, Metro strives to provide small businesses with contracting opportunities through our DBE and SBE small business programs. Certification is the first step in that process.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to approve staff recommendations. The alternative would be to increase the staffing level of the Diversity and Economic Opportunity Department to handle increased workload. Currently the certification unit consists of four (4) FTEs that are also assigned to other certification related tasks such as application intake, monitoring and oversight of 1,800 active firms on the database, issuing of denial letters, assignment of files to the consultants, processing of annual updates affidavits, processing of additional North American Industry Classification System (NAICS) codes requests and in making final eligibility determinations as required by the regulations. In order to be able to do this work in house, Metro would need to match the current consultants staff augment of 8 staff members, thus adding eight (8) FTE positions. The current staff could not take on this additional responsibility and the alternative to add staff is not recommended as additional staff would be significantly more expensive than consultant support. Without the use of consultants, Metro would not be able to provide certification services as mandated by the regulations and cannot meet the 90 day regulatory processing time to complete applications.

### **NEXT STEPS**

Upon Board approval, staff will establish and execute the bench contracts for disadvantaged and small business enterprise certification services, and issue task orders, on an as-needed basis.

### **ATTACHMENTS**

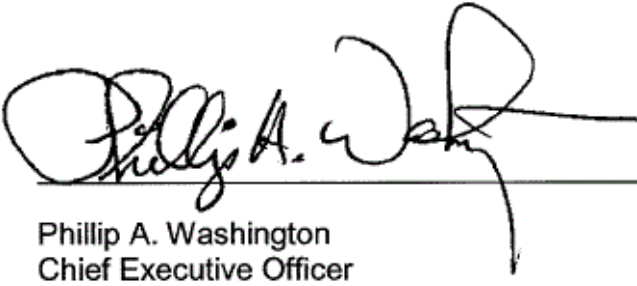
Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Dr. Irma L. Licea, Director, Certification & Business Development  
(213) 922 - 2207

Miguel Cabral, Executive Officer, Diversity & Economic Opportunity, (213) 418-3270

Reviewed by: Debra Avila, Chief, Vendor/Contract Management Officer, (213) 418-3015



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

DISADVANTAGED AND SMALL BUSINESS ENTERPRISE CERTIFICATION  
SERVICES/PS51863000 – PS51863002

1.	<b>Contract Number:</b> PS51863000 – PS51863002	
2.	<b>Recommended Vendor:</b> Gail Charles Consulting Services HSW Services Small Business Enterprise Utilization Services	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" 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> May 4, 2018	
	B. <b>Advertised/Publicized:</b> May 4, 2018	
	C. <b>Pre-Proposal Conference:</b> May 14, 2018	
	D. <b>Proposals Due:</b> June 4, 2018	
	E. <b>Pre-Qualification Completed:</b> July 17, 2018	
	F. <b>Conflict of Interest Form Submitted to Ethics:</b> August 8, 2018	
	G. <b>Protest Period End Date:</b> September 24, 2018	
5.	<b>Solicitations Picked up/Downloaded:</b> 31	<b>Bids/Proposals Received:</b> 4
6.	<b>Contract Administrator:</b> Greg Baker	<b>Telephone Number:</b> (213) 922-7577
7.	<b>Project Manager:</b> Dr. Irma Licea	<b>Telephone Number:</b> (213) 922- 2207

**A. Procurement Background**

This Board Action is to approve the award of bench Contract Nos. PS51863000 through PS51863002, issued for support services in processing applications for eligibility determinations for Disadvantaged Business Enterprise (DBE) certification under the regulations at 49 CFR Part 26 and applications for Small Business Enterprise (SBE) certification under the Metro SBE Program to assist in meeting critical deadlines and assist with compliance services. The Contracts will be for a term of four years, with two, one-year options to be exercised at Metro's sole discretion for a cumulative not-to-exceed amount of \$2,996,820. The services will be performed on an as-needed basis for which task orders will be issued. Board approval of contract awards are subject to resolution of any properly submitted protest(s).

Request for Proposals (RFP) No. PS51863 was issued in accordance with Metro's Acquisition Policy and the contract type is Task Order based. This solicitation was issued under the Small Business Set-Aside Program.

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

- Amendment No. 1, issued on May 17, 2018 clarified the deadline to submit questions to Metro; and

- Amendment No. 2, issued on May 22, 2018 clarified the ordering process under Article IX: Ordering.

A pre-proposal conference was held on May 14, 2018, and was attended by nine participants representing eight firms. Sixteen questions were received and Metro provided responses prior to the proposal due date.

The RFP was downloaded by 31 firms that were included in the planholders list.

Four proposals were received on the due date of June 4, 2018 and are listed below in alphabetical order:

1. Gail Charles Consulting Services, LLC
2. HSW Services
3. InfraWEST
4. Small Business Enterprise Utilization Services

A fifth proposal was received on June 5, 2018; however, the proposal was received after the stated deadline and, therefore, was not accepted and was returned to the Proposer unopened.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro's Diversity and Economic Opportunity Department (DEOD) was convened and conducted a comprehensive technical evaluation of the proposals received.

The RFP required that all firms must comply with the following Minimum Qualification Requirement on a pass/fail basis:

The firm's owner(s) must have at least five years of demonstrated experience processing and making eligibility determinations for Disadvantaged Business Enterprise (DBE) certification under the regulation 49 CFR Part 26 and Small Business Enterprise (SBE) certification in accordance with Small Business Administration size standards. Metro's SBE program certification standards mirror the DBE certification regulations outlined in 49 CFR Part 26 with the exception that the SBE Program does not have a gender or race requirement.

One of the firms did not meet the minimum qualification requirement based on the information provided in their proposal; therefore, their proposal was not further evaluated.

The three remaining proposals were evaluated based on the following evaluation criteria and weights:

- Prime Consultant Qualifications (Skills and Experience) 40 percent

- Effectiveness of Management Plan/Understanding of Work and Appropriateness of Approach for Implementation 35 percent
- Cost Proposal 25 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar type of procurements. Several factors were considered when developing the weights, giving the greatest importance to the prime consultant qualifications (skills and experience).

The PET completed its independent evaluation of the three proposals and determined that all firms were qualified to provide the services required. Each firm’s proposal addressed the requirements of the RFP and demonstrated experience with all aspects of the required tasks.

The recommended firms for the bench are listed below:

<b>Contract No.</b>	<b>Firm</b>
PS51863000	HSW Services, Inc.
PS51863001	Small Business Enterprise Utilization Services
PS51863002	Gail Charles Consulting Services, LLC

All three recommended firms above are Metro Certified SBE.

**Qualifications Summary of Firms within the Competitive Range:**

**Gail Charles Consulting Services, LLC**

Gail Charles Consulting Services, LLC (GCCS) is based in Texas and is a Metro certified SBE public transportation consulting firm that provides legal and regulatory technical compliance services to multiple public agencies. GCCS has over 30 years of experience administrating and monitoring construction and professional services contracts for compliance with Federal and state regulations. GCCS is a contractor on the current DBE and SBE Certification Bench and has performed satisfactorily.

**HSW Services**

HSW Services (HSW) is based in Costa Mesa, California and has been in business since 1998. HSW is a Metro certified SBE firm providing evaluation of DBE/SBE applications according to applicable Federal and state laws. HSW is currently on the DBE and SBE Certification Bench and has performed satisfactorily.

**Small Business Enterprise Utilization Services**

Small Business Enterprise Utilization Services (SBEUS), based in Placentia, California is a Metro certified SBE firm. Its owner has over 28 years’ experience in administrating Federal programs from Department of Transportation, Department of

Labor, and Small Business Administration. SBEUS is a contractor on the current DBE and SBE Certification Bench and has performed satisfactorily.

**C. Cost/Price Analysis**

The recommended fixed unit rates from all firms have been determined fair and reasonable based upon adequate price competition and negotiations. Each task order will be alternated to each firm, based on existing workload, and staff availability.

**D. Background on Recommended Contractor**

All three firms listed above are recommended for award. These firms have been evaluated and determined to be qualified to work on Metro assignments on an as-needed, task order basis. Having multiple contracts in place ensures that Metro's DEOD will have a variety of on-call providers to support its DBE/SBE certification efforts. All three firms are incumbents on the existing DBE and SBE Certification Bench and have successfully supported Metro's effort in processing DBE/SBE certification applications in a timely manner.



## DEOD SUMMARY

**DISADVANTAGED AND SMALL BUSINESS ENTERPRISE CERTIFICATION  
SERVICES / PS51863000 – PS51863002**

**A. Small Business Participation**

Pursuant to Metro's Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro's website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to **SBE Certified Small Businesses Only**.

All bench participants are SBE primes and have committed to perform 100% of the work with their own workforce. Work throughout this Contract will be issued on a task order basis.

**SMALL BUSINESS SET-ASIDE**

	<b>SBE Primes</b>	<b>SBE % Committed</b>
1.	HSW Services	100%
2.	Small Business Enterprise Utilization Services	100%
3.	Gail Charles Consulting Services, LLC	100%
	<b>Total Commitment</b>	<b>100%</b>

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

The Living Wage and Service Contract Worker Retention Policy is not applicable to this 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 (PLA/CCP) 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.