



Board Report

File #: 2022-0186, File Type: Contract

Agenda Number: 29.

CONSTRUCTION COMMITTEE APRIL 21, 2022

SUBJECT: METRO SMALL BUSINESS BONDING ASSISTANCE PROGRAM

ACTION: APPROVE CONTRACT MODIFICATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to execute Modifications to Contract No. PS137313000 with Merriwether and Williams Insurance Services, Inc. to continue to provide Small Business Bonding Assistance Program services and Contractor Finance Assistance Program (CFAP) administration in the amount of \$450,000, increasing the total contract price from \$2,197,870 to \$2,647,870, and extend the period of performance from June 1, 2022, through November 30, 2022;

This Contract Modification also includes an as-needed option to extend the contract period of performance up to an additional six (6) months or through May 31, 2023, and increase the total contract price up to an additional \$450,000, for a total not-to-exceed contract price of \$3,097,870.

- B. AUTHORIZING the Chief Executive Officer to approve budget for the Contractor Finance Assistance Program (CFAP) loan fee which provides financial relief for certified small businesses performing on a Metro contract for an amount not to exceed \$300,000; and
- C. ADOPTING a resolution, Attachment A, authorizing the Chief Executive Officer and other Authorized Officers to continue the \$4,000,000 line of credit with Bank of America for six months at a cost of \$8,000 with the option to extend for an additional six months at a cost of \$8,000, and to execute as needed, individual standby letters of credit at a cost of \$2,000 each or 2% of the value of each letter of credit executed, whichever is greater, for a six-month period in the amount of \$37,500 with an option for an additional six-month period for \$37,500 for a not-to-exceed amount of \$71,000 if the option is exercised.

(REQUIRES SEPARATE, SIMPLE MAJORITY VOTE OF THE FULL BOARD)
ISSUE

Metro identified the need to provide bonding assistance to certified small businesses pursuing work on Metro construction projects. Metro partnered with the City of Los Angeles and participated in their

Request for Proposal (RFP) process to identify a consultant capable of providing bonding assistance to small businesses. Metro subsequently executed a memorandum of understanding (MOU) with the City to partner and share resources and certain cost for the consultant services. Metro also issued a contract with Merriwether and Williams Insurance Services (MWIS) to administer Metro's Contractor Development Assistance and Bonding Program (CDABP) for a total of three-years. This three-year contract is scheduled to expire on May 31, 2022.

BACKGROUND

Metro initiated a pilot CDABP program in 2018, and renewed the program with a three-year contract with MWIS that became effective June 1, 2019. Metro also renewed its MOU with the City of Los Angeles for this same period. Metro established a \$4,000,000 program line of credit with Bank of America for its CDABP program. The program provides bonding assistance to small businesses for a maximum amount of \$250,000 or 40% of the bond (whichever is lower) per bond transaction cap dollar amount. The City of Los Angeles' program has the same established limits. Metro assembled a bonding Task Force consisting of the Diversity & Economic Opportunity Department, Risk Management, Treasury, Vendor/Contract Management and Project Construction Management.

MWIS provides bonding education and business development services to contractors through capacity building classes held at Metro, throughout the county (virtually and in-person). MWIS provides technical assistance on preparing small businesses to become bondable, strengthening their companies financially, strategically pursuing work and instructed on best practices in preparing proposals. Some of the tasks performed by MWIS are listed below.

- Assess small business work plans
- Conduct enrollment meetings and contractor consultations
- Refer contractors to resource providers and prime contractors for opportunities
- Consult small businesses on CDABP program services
- Process small business bond requests
- Issue bonds for small businesses
- Refer small businesses to Metro Certification, Pre-Qualification or Vendor Portal
- Provide contract monitoring, project support or contract review for small business
- Develop contractor profiles for marketing small businesses
- Participate in Council District workshops to promote the CDABP program

Approximately 241 small businesses have graduated from various MWIS' training academies in the last three years. Of these 241 small business graduates, 120 graduated from Metro sponsored training academies. MWIS provides Metro staff with several monthly metrics including three specific measures used as key performance indicators. The three key performance indicators below reflect activity from June 1, 2019, through February 28, 2022.

- MWIS has completed over 650 assessments of small businesses and completed workplans to increase their capacity.
- MWIS has referred over 450 small businesses to Metro's Vendor Portal, Certification or Pre-

Qualification.

- MWIS has completed or enhanced over 500 contractor profiles to assist small businesses in strengthening their marketing efforts.

Metro has issued five bonds to date for an aggregate amount of \$1.25 million dollars to assist certified small businesses to bond and acquire over \$15 million dollars in contract awards. The contract details are listed in the table below.

Small Business Name	Assistance Amount	Metro Project	Cert.Type	Small Business Contract Award
G&F Concrete	\$250,000	Rosa Parks Willowbrook Station	DBE SBE	\$1,253,850
SJN Builders, Inc.	\$250,000	Rosa Parks Willowbrook Station	SBE	\$5,091,101
KPA Constructors, Inc.	\$250,000	Regional Connector Transit Corridor	DBE SBE	\$3,691,555
Global Electric	\$250,000	Westside Purple Line Section 1	DBE SBE	\$3,192,000
KPA Constructors, Inc.	\$250,000	Westside Purple Line Section 1	DBE SBE	\$1,850,000
				\$15,078,506

Metro staff implemented a 7% SBE Goal and 4.33% DVBE goal for this CDABP contract. MWIS committed to 19.06% SBE and has achieved 15%, and MWIS achieved 19% towards the 4.33% DVBE commitment to date. Metro staff is requesting the board to approve a six-month extension of the CDABP program contract with an option to extend for an additional six-months while the City prepares, issues and awards a new contract.

DISCUSSION

Findings

The CDABP program has proven to be a tremendous help to small businesses for three years and staff has received positive feedback from businesses who have benefited from the program. As Metro staff was preparing to participate in the City's RFP process to renew the CDABP program, staff learned that the City was not prepared to issue an RFP at this time. In addition, the City has approved a six-month extension of the current contract with MWIS, with an additional six-month extension while an RFP is prepared and issued. Staff intends to participate in the RFP process when the City is ready to issue the RFP and piggy-back on the City's contract as done previously with the other agency partners. The agencies partnering in the CDABP program include the City of Los Angeles, Metro, Los Angeles World Airports, Department of Water and Power, the Port of Los Angeles, SCM Public Works, and as of October 2021 the County of Los Angeles. Metro staff received a draft of the City's RFP on March 21, 2022 and provided feedback and input to City staff by

the March 31, 2022 deadline. Metro staff will continue to work with City staff to get the RFP issued and a new contract procured.

Contractor Finance Assistance Program

Metro staff recently implemented the contractor finance assistance program which was included in the original scope of work of the CDABP. At the time of the contract award to MWIS, the CFAP program was not ready for implementation although the language for the CFAP program was included in the scope of work as a resource to small businesses. The CFAP program makes financial resources immediately available to small businesses by using their contract as collateral. This can provide relief to small businesses that have to float delays in payments resulting from invoices waiting to be processed and paid or change orders to be approved. The CFAP program provides loans to the small businesses at 6.75% interest with an upfront fee of 1% of the amount of the loan (or \$1,500 minimum fee). Metro staff is requesting budget to cover the 1% fee to assist small businesses. The small business can request up to 25% of the amount of their contract and is responsible for the repayment of the loan. There is no risk to Metro. The CFAP program includes a third-party funds administrator to manage the CFAP transactions for the small business to ensure appropriate use of funds. MWIS recently informed Metro staff that the CFAP program was ready for implementation and staff was able to assist a certified small business (Global Electric) in securing a Metro contract in February 2022. Global Electric is also a recipient of Metro's CDABP program and is performing on the Westside Purple Line Section 1 project. With the assistance of the CFAP program, Global Electric is now working on two Metro contracts, the second also on the Westside Purple Line Section 1 project as a subcontractor to LK Comstock for a 2.6-million-dollar contract. The CDABP and CFAP programs both use third-party funds administrators to manage transactions for small businesses. Funds from the current CDABP contract were used to assist Global Electric to secure this additional Metro contract through the CFAP program.

Staff intends to promote and advertise the CFAP program through its robust Metro Connect outreach in-person and on-line events. If approved, the program will be advertised in How to do Business with Metro, lunch and learn events, CDABP training classes, Transportation Business Advisory Council meetings, council district outreach events and other industry events. Staff also intends to promote the program on the Metro.net/connect webpage. Staff is requesting a budget of \$300,000 to support small businesses who can benefit from the program. This budget would provide CFAP support to ten small businesses borrowing \$500,000 against their contract value of \$2.5 million by Metro covering the 1% upfront fee.

DETERMINATION OF SAFETY IMPACT

No safety impact.

FINANCIAL IMPACT

Adoption of this contract extension and options would impact the agency's budget by \$1,271,000 through May 31, 2023.

Impact to Budget

The MWIS contract and the Line of Credit fees will be added to Cost Center 2130. Funding will come from General Funds, which are eligible for Metro Bus and Rail operations and capital expenses. Costs for individual letters of credit will be paid by the projects for which the contractors are providing services.

EQUITY PLATFORM

Staff recommendations are to implement programs that support local small, disadvantaged, minority, women and veteran owned businesses to become more sustainable, financially stable and have access to capital like larger companies. The CDABP and CFAP programs have assisted certified small businesses in capturing over \$15 million dollars in Metro contracts. These SBE and DBE contract dollars were reflected in the appropriate fiscal years towards Metro's annual percentage goals. The CDABP and CFAP support provided by MWIS has provided immeasurable capacity building support to small business and resulted in contract awards through the program.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal 5.5: Metro will expand opportunities for businesses and external organizations to work with us. The CDABP program expands Metro's capability to contract with construction companies on our projects, and also expands small businesses' ability to qualify for larger construction contract opportunities that have increased bonding requirements.

ALTERNATIVES CONSIDERED

The Metro Board could choose to not extend the CDABP program, however, that would not provide small businesses the bonding, financial and capacity building support they might need to perform on Metro construction projects.

NEXT STEPS

- Upon Board approval, staff will execute Contract Modification No. 1 to extend the MWIS contract for 6 months, with the option to extend for an additional 6 months;
- Extend the terms of the line of credit with Bank of America for 6 months, with the option to extend for an additional 6 months;
- Implement the CFAP program to small businesses as funds are available.

ATTACHMENTS

Attachment A - MOU

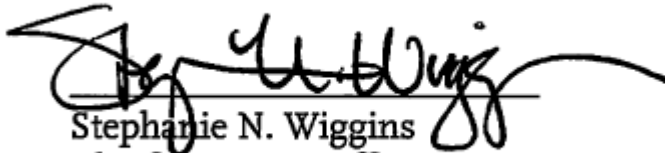
Attachment B - Procurement Summary

Attachment C- Contract Modification/Change Order Log

Attachment D - DEOD Summary

Prepared by: Keith A. Compton, Director, DEOD
(213) 922-2406

Reviewed by: Debra Avila, Deputy Chief, Vendor/Contract Management Officer (213) 418-3051



Stephanie N. Wiggins
Chief Executive Officer

CONTRACTOR DEVELOPMENT AND BONDING PROGRAM

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

CITY OF LOS ANGELES

AND

**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY**

ATTACHMENT - A

**CONTRACTOR DEVELOPMENT AND BONDING PROGRAM
MEMORANDUM OF UNDERSTANDING**

INDEX

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
1.0	CITY OF LOS ANGELES, CAO RISK MANAGEMENT RESPONSIBILITIES.....	3
2.0	METRO RESPONSIBILITIES.....	4
3.0	CDBP COMPONENTS.....	5
4.0	INDEMNIFICATION.....	6
5.0	TERMINATION.....	6
6.0	TERMS OF MEMORANDUM OF UNDERSTANDING.....	6
7.0	SIGNATURE PAGE.....	7
8.0	GLOSSARY OF TERMS.....	8

ATTACHMENT - A

THIS MEMORANDUM OF UNDERSTANDING (MOU), is made and entered into by and between the CITY OF LOS ANGELES (CITY) and the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO). Each party joining this MOU will be responsible for its own activities as defined in this MOU.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this MOU on the 1st day of June, 2022 to be effective immediately for a twelve month term.

RECITALS:

- A METRO is extending an agreement with the CITY to participate and access the CITY's Contractor Development Assistance and Bonding Program (CDABP). METRO will utilize existing CDABP program administration services, as needed provided through the CITY and its contracted broker, Merriwether & Williams Insurance Services (BROKER).
- B. The CITY and METRO require contractors to obtain bid, payment, and performance bonds when working on CITY or METRO projects.
- C. It has come to the attention of CITY and METRO that some small businesses are unable to compete for CITY or METRO work due to their difficulty obtaining the required surety bonds.
- D. The CITY'S RISK MANAGEMENT Office possesses certain requisite knowledge and resources to coordinate and assist in the administration of the CDBP. As such, METRO seeks to continue accessing the CITY's and their Broker/Service Provider's assistance in implementing and administering a comparable program on behalf of METRO.
- E. BROKER competed in a Request for Proposal process, and was selected by the CITY to be the BROKER on the CDABP.

Now, therefore, the parties do agree as follows:

1.0 CITY OF LOS ANGELES

The CITY will:

- 1.1 Assist in the coordination and implementation of the CDABP between BROKER, CITY and METRO to replicate a similar program on behalf of METRO.
- 1.2 Work with BROKER and METRO to design and structure a "shared resource – shared cost" arrangement between the parties.

ATTACHMENT - A

- 1.3 Share with METRO, CITY's experience and work product in implementing CDABP for the purpose of METRO's desire to sponsor a comparable program on behalf of METRO.
- 1.4 Assist METRO in developing the Broker/Service Provider's Scope of Services.
- 1.5 Coordinate with METRO in developing the BROKER Request for Proposal and Contract. Advise METRO on the administration of the Broker Contract to confirm Broker activities are in compliance with Contract terms.
- 1.6 Assist in establishing CDABP cost controls.
- 1.7 Conduct periodic reviews to verify compliance with MOU terms and conditions.
- 1.8 Develop rationale to allocate shared CDABP costs for consideration and acceptance by METRO.
- 1.9 Provide administrative services support as necessary.
- 1.10 Provide additional services as deemed necessary.
- 1.11 Administer the CDABP through the Office of the City Administrative Officer, Risk Management (RISK MANAGEMENT).

2.0 LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

METRO will:

- 2.1 Implement contract with BROKER and administer CDABP for METRO contracting activities.
- 2.2 Review and pay monthly invoices directly to BROKER. Invoices will reflect costs for monthly BROKER services, third-party funds administration, financial analysis, etc.
- 2.3 Provide timely and accurate information to CITY when requested.
- 2.4 Attend meetings with CITY and BROKER, as necessary.

ATTACHMENT - A

- 2.5 Participate in the Request For Proposal (RFP) selection process with the CITY for BROKER.
- 2.6 Establish and maintain a line of credit or other collateral instrument which allows for the issuance of program bond guarantees.

3.0 CDABP PROVISIONS:

- 3.1 At METRO, the program will only be available to Small Business Enterprises (SBE), Disadvantaged Business Enterprises (DBE) and Disabled Veteran Business Enterprises (DVBE) contractors and subcontractors interested in bidding on METRO contracts.
- 3.2 The program will provide for the use of financial guarantees to obtain bid, payment and performance bonds.
- 3.3 BROKER invoicing will be submitted monthly to METRO and will only reflect actual services rendered.
- 3.4 METRO must notify CITY prior to making any material changes to the CDBP components.
- 3.5 The allocated percentages used to calculate the indirect CDABP costs for the next three fiscal years are included in the contract. This allocation percentage will be based upon each program agency's contract value as proportionately compared to the total of all program members' contract values combined. An alternative allocation methodology may be utilized if agreed upon by all CDABP members. Indirect percentages will be fixed for the term of the contract unless a member(s) contract amount changes during the course of the contract.
- 3.6 Prior to the CDABP, program members must complete the following:
 1. Establish and/or identify account(s) to cover the costs for monthly BROKER invoices (amounts based on annual contract limits) and any future CDABP contractor defaults within that program members construction program (amount may need to be increased based upon higher levels of outstanding letters of credit or collateral).
 2. Assign a primary staff authority and a designee (in case of absence of the primary staff authority) to authorize letters of credit or collateral issuance in an expeditious manner.
 3. Sign and date the CDABP MOU.

ATTACHMENT - A

4. Assign staff to assist RISK MANAGEMENT in coordinating the CDABP.
5. Receive METRO Board approval of CDABP, including the use of Letters of Credit or other collateral instruments to serve as guarantees to program sureties.

4.0 INDEMNIFICATION

- 4.1 All parties to this agreement agree to hold each other harmless for all causes of actions, claims, charges or other demands of any nature, arising from the acts or omissions of the indemnifying party in regard to services provided under and during the term of this MOU, in accordance with California Government Code 895.4 and 895.6.

5.0 TERMINATION

- 5.1 This agreement may be canceled by any member of this MOU with or without cause on thirty (30) days written notice and payment in full of all proportioned CDABP fees, costs and expenses for services already rendered. Said notice, on the CITY's behalf, will be given by the City Administrative Officer or the Director of Risk Management as designee.

6.0 TERM OF MEMORANDUM OR UNDERSTANDING

- 6.1 The term of this MOU is coterminous with the CDABP Member's contract with the BROKER.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Memorandum Of Understanding to be effective on the 1st day of June, 2022

By _____
RICHARD LLEWELLYN, JR
City of Los Angeles Administration Officer

By _____
DEBRA AVILA
Deputy Chief Vendor/Contract Management Officer METRO

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
DANIEL KREINBRING
Deputy City Attorney

MARY C. WICKHAM
County Counsel

By _____
MARY REYNA
Principal Deputy County Counsel

GLOSSARY OF TERMS

1. Broker – The person or company who works on behalf of the Program Members to assist small, MBE/WBE/OBE contractors in obtaining the required surety bonding. Must have a Broker’s license to be a Broker.
2. Surety Bonds – The financial instrument, required by the CDABP to bid on projects, that is written for a specific amount and for a specific project. The dollar amount of the bond is the amount which the surety is willing to pay in case a CDABP contractor defaults on the project.
 - a. Bid Bond – A guarantee that, if awarded, the contractor will enter into a contract under the same terms and conditions as bid.
 - b. Performance Bond – A bond issued by a surety company guaranteeing to complete a construction contract if the contractor defaults.
 - c. Payment Bond - Guarantees that subcontractors of the prime contractor will be paid for labor and materials. These are often required in conjunction with performance bonds.
3. Surety – The bond company or guarantor that provides the bond on a specific project.
4. CDABP Contractor – The contractor or subcontractor who uses the CDABP to establish or increase their bonding capacity.
5. Third Party Funds Administrator – Manages progress payments from the CITY or METRO to a CDABP prime contractor or the CITY’s or METRO ’s prime contractor payments to a CDABP subcontractor, ensuring all subcontractors and material suppliers are appropriately paid.
6. Irrevocable Letter of Credit – A financial instrument that is used by a surety to drawdown from the Line of Credit as a form of a guarantee. It is irrevocable because the letter of credit cannot be modified unless all parties agree.
7. Line of Credit –A source of credit provided by a financial institution that is used for financial guarantees.
8. Underwriting Data – Data gathered by the BROKER and Surety to help assess the risks and make a determination on whether to provide a bond. Usually requires bank statements, tax statements, company financials, application data, etc.

ATTACHMENT - A

9. Drawdown – A withdrawal against a specific Letter of Credit or other collateral instrument following a default and surety paid claim to complete the contracted public work.
10. Financial Guarantees – An amount of money stated in dollars, that the CITY or METRO is willing to guarantee to the Surety in case of a default by a CDABP contractor against the bond.
11. Indirect Costs – Those costs of the CDABP that are not directly chargeable to a Department, Agency or project and are shared by each member of this MOU. These costs are typically all costs that occur prior to successfully bonding a contractor for a specific bid or contract. These costs would include CDABP outreach and administration, member consultation and technical assistance, financial statement preparation and review, review of application data, tax statements and company financials, and post award contract monitoring. It includes time spent working with CDABP broker, surety and CPA partners.
12. Direct Costs – Once a CDABP contractor identifies a CITY or METRO contract that they want to bid on, those subsequent third-party costs directly associated with securing the required bonds are considered direct costs. Unlike indirect costs, these costs are not shared by all MOU members but are charged directly to the contracting Department or agency. These costs typically include letter of credit fees for financial guarantees and TPFA fees. These costs are only incurred if the contractor is the successful low bidder.
13. CDABP Contractor Default – A CDABP contractor default occurs when a surety is obligated for payment under the guaranteed bond following a CDABP contractor nonperformance or nonpayment.
14. CDABP Member Agency – Agencies that are members of this MOU. Currently, there are two CDABP Member Agencies, the City of Los Angeles and the Los Angeles County Metropolitan Transportation Authority.

PROCUREMENT SUMMARY

METRO SMALL BUSINESS BONDING ASSISTANCE PROGRAM / PS137313000

1.	Contract Number: PS137313000		
2.	Contractor: Merriwether and Williams Insurance Service, Inc.		
3.	Mod. Work Description: Increase in contract authority and up to 12-month extension		
4.	Contract Work Description: Provide bonding assistance to small businesses under the Small Business Bonding Assistance Program.		
5.	The following data is current as of: 03/24/22		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	6/1/19	Contract Award Amount: \$ 2,197,870
	Notice to Proceed (NTP):	8/8/19	Total of Modifications Approved: \$ 0
	Original Complete Date:	5/31/22	Pending Modifications (including this action): \$ 900,000
	Current Est. Complete Date:	5/31/22	Current Contract Value (with this action): \$ 3,097,870
7.	Contract Administrator: Marc Margoni		Telephone Number: (213) 922-1304
8.	Project Manager: Keith Compton		Telephone Number: (213) 922-2406

A. Procurement Background

This Board Action is to approve Contract Modification Nos. 1 and 2 to Contract No. PS13731300 with Merriwether and Williams Insurance Services, Inc. to continue to administer the Contractor Development and Bonding Assistance Program (CDABP) aka Metro's Small Business Bonding Assistance Program and the Contractor Finance Assistance Program (CFAP).

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

In May 2019, the Board awarded a three-year contract to Merriwether & Williams Insurance Services (MWIS) to provide bonding assistance to small businesses under Metro's Small Business Bonding Assistance Program.

B. Cost/Price Analysis

The recommended monthly CDABP and CFAP administration fees for the extended term have been determined to be fair and reasonable based on price analysis, independent cost estimate (ICE), technical analysis, and fact-finding. Pass-through fees [e.g. CPA cost subsidy fee, Irrevocable Letter of Credit (ILOC), and Funds Control] were estimated based on historical data and the anticipated level of bonding assistance required by small businesses.

Option Years Amount	Metro ICE	Modification Amount
\$900,000	\$900,000	\$900,000

CONTRACT MODIFICATION / CHANGE ORDER LOG
METRO SMALL BUSINESS BONDING ASSISTANCE PROGRAM
PS137313000

Mod. No.	Description	Date	Amount
1.	Increase contract authority to continue to provide bonding assistance to small businesses under Metro's Small Business Bonding Assistance Program and extend the period of performance by six months	PENDING	\$ 450,000
2.	Increase contract authority to continue to provide bonding assistance to small businesses under Metro's Small Business Bonding Assistance Program and extend the period of performance by six months	PENDING	\$ 450,000
	Modification Total:		\$ 900,000
	Original Contract:	6/1/19	\$ 2,197,870
	Total Contract Value:		\$ 3,097,870

DEOD SUMMARY

METRO SMALL BUSINESS BONDING ASSISTANCE PROGRAM, MERRIWETHER AND WILLIAMS INSURANCE SERVICES, INC. PS137313000

A. Small Business Participation

Merriwether & Williams Insurance Services, Inc. (MWIS) made a 19.01% Small Business Enterprise (SBE) and 4.33% Disabled Veteran Business Enterprise (DVBE) commitment. The contract is 76% complete and the current participation is 14.97% SBE and 19.14% DVBE, which represents a 4.04% SBE shortfall, while the DVBE commitment is exceeded by 14.71%.

MWIS indicated that there are shared costs associated with 3D Networks, an SBE, that have not been reported. DEOD requested a shortfall mitigation plan to address the SBE participation. MWIS indicated that they will increase the task assignments to 3D Network during the contract extension period to mitigate the shortfall and achieve the 19.01% commitment. Assignments will include, but not be limited to, assisting with outreach events, training classes, informational events, creating promotional materials and other tasks.

DEOD will continue to monitor MWIS participation to ensure that the firm is on track to meet and/or exceed the commitment.

Small Business Commitment	19.01% SBE 4.33% DVBE	Small Business Participation	14.97% SBE 19.14% DVBE
----------------------------------	----------------------------------	-------------------------------------	-----------------------------------

	SBE Subcontractor	% Committed	Current Participation¹
1.	3D Networks	19.01%	14.97%
	Total	19.01%	14.97%

	DVBE Subcontractor	% Committed	Current Participation¹
1.	G&C Equipment Corp.	4.33%	19.14%
	Total	4.33%	19.14%

¹Current Participation = Total Actual amount Paid-to-Date to certified firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this 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. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.