

# **Metro**

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



## **Agenda - Final**

**Wednesday, June 20, 2018**

**12:00 PM**

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

### **Executive Management Committee**

*Eric Garcetti, Chair*

*Sheila Kuehl, Vice Chair*

*James Butts, 2nd Vice Chair*

*Jacquelyn Dupont-Walker*

*John Fasana*

*Mark Ridley-Thomas*

*Carrie Bowen, 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.

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## LIMITED ENGLISH PROFICIENCY

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

**CALL TO ORDER****ROLL CALL**

14. **SUBJECT: STATE AND FEDERAL REPORT** [2018-0338](#)

**RECOMMENDATION**

RECEIVE AND FILE State and Federal Legislative Report.

15. **SUBJECT: STATE LEGISLATION** [2018-0357](#)

**RECOMMENDATION**

ADOPT staff recommended positions:

- A. Assembly Bill 533 (Holden) - State Highway Route 710 **WORK WITH AUTHOR**
- B. Assembly Bill 1912 (Rodriguez), as amended - Public Employees' Retirement: Joint Powers Agreements: Liability **OPPOSE UNLESS AMENDED**

**Attachments:** [Attachment A - AB 533 \(Holden\)](#)  
[Attachment B - AB 1912 \(Rodriguez\)](#)

16. **SUBJECT: METRO VISION 2028 PLAN** [2018-0356](#)

**RECOMMENDATION**

ADOPT the Metro Vision 2028 Plan.

**Attachments:** [Attachment A - Metro Vision 2028](#)  
[Attachment B - Stakeholder Outreach](#)  
[Attachment C - Summary of Public Comments Received by May 31, 2018](#)  
[Attachment D - Metro Vision 2028 - Tracked Version](#)  
[Attachment E - Appendices to Metro Vision 2028 Plan](#)

17. **SUBJECT: FEDERAL TRANSIT ADMINISTRATION  
DISADVANTAGED BUSINESS ENTERPRISE OVERALL  
GOAL** [2018-0323](#)

**RECOMMENDATION**

APPROVE 27% Disadvantaged Business Enterprise (DBE) overall goal for Federal Fiscal Years (FFY) 2019 - 2021 for contracts funded, in whole or in part with Federal Transit Administration (FTA) funds.

**Attachments:** [Attachment A - Overall DBE Goal Methodology Report FFY2019-2021 Presentation](#)

**18. SUBJECT: SMALL BUSINESS PRIME PROGRAM UPDATE** [2018-0324](#)

**RECOMMENDATION**

RECEIVE AND FILE update regarding the Small Business Prime Program (SB Prime).

**19. SUBJECT: METRO'S PHOTO ENFORCEMENT PROGRAM** [2018-0020](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to Contract No. PS68103079 with Conduent State and Local Solutions, Inc. (Conduent), formerly Xerox State and Local Solutions, for Metro's Photo Enforcement installation and maintenance services, to exercise the first two-year option in the amount of \$4,207,344, increasing the total contract value from \$14,118,098 to \$18,325,442, and extending the contract term from July 1, 2018 to June 30, 2020.

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

**20. SUBJECT: CHIEF COMMUNICATIONS OFFICER QUARTERLY REPORT** [2018-0243](#)

**RECOMMENDATION**

RECEIVE quarterly report by Chief Communications Officer.

**Attachments:** [Presentation](#)

**SUBJECT: GENERAL PUBLIC COMMENT** [2018-0374](#)

**GENERAL PUBLIC COMMENT**

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

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

**Adjournment**





Board Report

File #: 2018-0357, File Type: Federal Legislation / State Legislation (Position)

Agenda Number: 15.

REVISED  
EXECUTIVE MANAGEMENT COMMITTEE  
JUNE 20, 2018

SUBJECT: STATE LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED POSITIONS

RECOMMENDATION

ADOPT staff recommended positions:

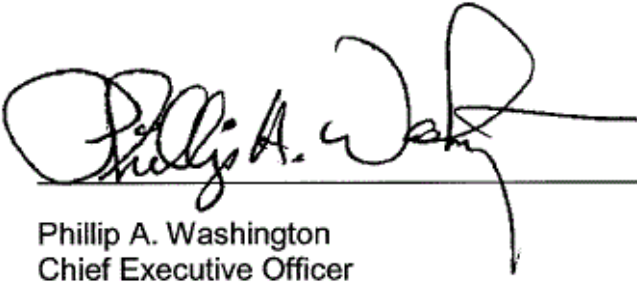
- A. Assembly Bill 533 (Holden) - State Highway Route 710 ~~WORK WITH AUTHOR~~ OPPOSE UNLESS AMENDED
- B. Assembly Bill 1912 (Rodriguez), as amended - Public Employees' Retirement: Joint Powers Agreements: Liability **OPPOSE UNLESS AMENDED**
- C. Assembly Bill 327 (Gipson) - South Coast Air Quality Management District: fleets OPPOSE UNLESS AMENDED

ATTACHMENTS

- Attachment A - AB 533 (Holden) Legislative Analysis
- Attachment B - AB 1912 (Rodriguez), as amended Legislative Analysis
- Attachment C - AB 327 (Gipson) Legislative Analysis

Prepared by: Michael Turner, Deputy Executive Officer, Government Relations, 213-922-2122  
Desarae Jones, State Affairs Administrator, Government Relations 213-922-2230

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



Phillip A. Washington  
Chief Executive Officer



**BILL:** ASSEMBLY BILL 533  
AS AMENDED ~~JULY 3, 2017~~ JUNE 18, 2018

**AUTHOR:** ASSEMBLYMEMBER CHRIS HOLDEN (D-PASADENA)

**SUBJECT:** STATE HIGHWAY ROUTE 710

**STATUS:** SENATE TRANSPORTATION AND HOUSING COMMITTEE

**ACTION:** ~~WORK WITH AUTHOR~~ OPPOSE UNLESS AMENDED

**RECOMMENDATION**

Staff recommends that the Board of Directors adopt a ~~WORK WITH AUTHOR~~ OPPOSE UNLESS AMENDED position on Assembly Bill 533 (Holden).

**ISSUE**

This bill would require Caltrans, in consultation with Metro, to establish the State Highway Route (SR) 710 North Advisory Committee, with a specified membership, to study the alternatives considered in the SR 710 North Draft Environmental Impact Review and other transit options to improve travel in, and environmental impacts of, the SR-710 Corridor project area. The bill would also delete the State Route 710 North segment from State law.

Specifically the bill would:

- Require Caltrans in consultation with Metro to establish the SR 710 North Advisory Committee;
- Require the advisory committee to make recommendations and submit a report to the Legislature, Caltrans and Metro by January 1, 2019 on the most feasible and appropriate project design alternative, as well as other transit options that could be implemented in the corridor;
- Require the department to implement the alternative as recommended if the recommendation is found to be appropriate and feasible; and
- Eliminate the State Route 710 North corridor from State law.

**DISCUSSION**

The current version of AB 533 (Holden) was amended on ~~July 3, 2017~~ June 18, 2018. In its ~~current~~ previous form, AB 533 proposes to amend the Streets and Highways code related to the State Route 710 North project and would require the formation of an advisory committee, require that committee to provide a report and complete study of alternatives with recommendations by January 2019. Caltrans is the lead agency for the SR-710 project, since this is a state highway and is responsible for the final determination of the project scope.

In May 2017, the Board adopted a motion related to SR-710 project funding at the Regular Board Meeting. This motion supports collaboration and planning between Metro, Caltrans and the affected jurisdictions, which would include the cities within the SR 710 corridor in programming funding and choosing projects in the SR-710 corridor. The Board also adopted a position to support the adoption of the Transportation System Management/Transportation Demand Management Alternative as the Locally Preferred Alternative and has deferred any decision on any other alternative for future consideration by the Board until the community collectively agrees on the value of that investment and funds are identified to implement a project. We believe that AB 533 (Holden) has a similar goal to Metro's recently adopted policies. Metro's Board is committed to improving mobility in the SR-710 corridor, while working with cities and affected stakeholders.

Staff also finds that the bill is not specific in determining what role the Advisory Committee would hold. While we would prefer that the legislation not create another committee as it would be duplicative of the process already created by Metro, we would like to work with the author on this legislation to ensure the final version of the bill is in line with Metro's established process.

State law also identifies the various state highways in California and identifies their boundaries and limits. AB 533 would limit the definition of 710 freeway to that section generally from Long Beach to Interstate 10. The bill would eliminate the segment of the 710 corridor generally between Interstate 10 and Interstate 210. If that segment of the freeway is eliminated, then it would remove any authorization to complete that segment. Staff recommends that this is an issue that should remain within the jurisdiction of the state as it is both the owner/operator of the freeway and is responsible for completion of the environmental document.

Staff therefore recommends that the Board adopt a ~~WORK WITH AUTHOR~~ OPPOSE UNLESS AMENDED position on the measure AB 533 (Holden).

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

There is no determined safety impact due to the enactment of the proposed legislation.

#### **FINANCIAL IMPACT**

The estimated financial impact has yet to be determined.

#### **ALTERNATIVES CONSIDERED**

Staff has considered adopting either a support or neutral position on the bill. A support or neutral position would be inconsistent with Metro's Board approved 2018 State Legislative Program Goals to support the acceleration of construction of transportation projects in Los Angeles County.

#### **NEXT STEPS**

Should the Board decide to adopt a ~~WORK WITH AUTHOR~~ OPPOSE UNLESS AMENDED position on this legislation; staff will communicate the Board's position to the

author and work to ensure inclusion of the Board's priorities in the final version of the bill. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.

## ATTACHMENT B

**BILL:** ASSEMBLY BILL 1912  
AS AMENDED MAY 9, 2018

**AUTHOR:** ASSEMBLYMEMBER FREDDIE RODRIGUEZ (D- POMONA)

**SUBJECT:** PUBLIC EMPLOYEES' RETIREMENT: JOINT POWERS  
AGREEMENTS: LIABILITY

**STATUS:** SENATE COMMITTEE ON PUBLIC EMPLOYMENT AND  
RETIREMENT  
HEARING SCHEDULED: JUNE 11, 2018

**ACTION:** OPPOSE UNLESS AMENDED

### **RECOMMENDATION**

Staff recommends that the Board of Directors adopt an OPPOSE UNLESS AMENDED position on Assembly Bill 1912 (Rodriguez).

### **ISSUE**

The Metro Board of Directors recently voted to Oppose AB 1912, which would require member agencies of a JPA to be liable for the retirement obligations of the JPA. The bill was recently amended on May 9, 2018. The amended language of the bill still contains provisions of concern to Metro. Staff recommends that the Board modify its position to OPPOSE UNLESS AMENDED and that we seek an amendment to eliminate the retroactivity of the bill.

Specifically, this bill:

- Amends provisions in existing law by removing the ability of an agency that is party to a JPA agreement to not be responsible for the pension debts, liabilities, and obligations of the JPA.
- Requires the member agencies of a JPA to be responsible for and mutually agree as to the apportionment of the JPA's pension obligations if the JPA contracts with CalPERS, or any other public employee retirement system for administration of its retirement benefits.
- Requires current and new JPA contracts with CalPERS to include{sentence incomplete}. Existing contracts must be reopened to include such provisions.
- Prohibits CalPERS from contracting with a JPA, unless all parties to the agreement establishing the JPA are jointly and severally liable for the JPA's pension obligations.
- Requires CalPERS to sue the member agencies of a JPA for recovery of its pension obligations owed to the system if the JPA's contract with CalPERS is terminated.
- Provides that CalPERS shall have a lien on the assets of a terminated contracting JPA, subject only to a prior lien for wages equal to the actuarially

determined deficit for funding for the employee's earned benefits. The assets must be available to pay actual costs, including attorney's fees expended for collection of the lien.

- Permits JPA member agencies or the JPA itself to enter into an agreement with CalPERS to ensure the proper calculation of benefits such that employees and retirees of the terminating agency remain whole, and allows for lump-sum payments at termination, and permits CalPERS to refuse to enter into an agreement if it determines that it is not in the best interests of the retirement system.
- Creates a two-year window in which a JPA must notify CalPERS of its intention to enter into such an agreement before the JPA dissolves. The notification would grant CalPERS sufficient time to ensure that the proposed arrangements are in the best interests of the system. Failure to notify CalPERS within the two-year window would result in the JPA's member agencies adding the beneficiaries to their own retirement system.
- Removes language in existing law regarding CalPERS' discretion in reducing retirement benefits related to terminating agencies.

## **DISCUSSION**

Assemblymember Freddie Rodriguez (D-Pomona) has recently amended AB 1912, which would significantly alter the Public Utilities Code and Government Code related to Joint Powers Authorities (JPAs) and their associated liabilities and agreements. The bill specifically applies to member agencies of JPAs that contract with the California Public Employee Retirement System (CalPERS) to provide post-employment retirement benefits to their employees. Staff finds this bill to be very problematic – in that it assigns liabilities for past, current and future debt and pension obligations to member agencies of JPAs.

Metro is currently a member agency of the Southern California Regional Rail Authority (Metrolink), LOSSAN Rail Corridor Agency, as well as a number of other JPAs. The Metrolink Joint Powers Agreement (JPA) currently specifies that “[t]he debts, liabilities, and obligations of [Metrolink] shall not be the debts, liabilities and obligations of the member agencies.” This bill would completely invalidate that provision. The bill, as proposed would retroactively apply to agreements that were executed prior to the enactment of the legislation. Assuming the liability of the various JPA agreements would substantially increase Metro's liabilities related to pension costs, indemnities and general liabilities.

The bill was recently amended on May 9, 2018, to clarify language in the bill relative to joint and several liability; language that appeared to be conflicting. The bill now requires that member agencies of a JPA must mutually agree as to the apportionment of the pension liability. Another sentence in the bill which clearly stated the bill was retroactive was struck from the bill however, other language in the bill would still make the bill apply retroactively and that issue continues to be of significant concern to staff. Staff proposes that Metro work to include additional amendments to the legislation to remove any reference to retroactivity.

This bill as currently drafted would impede Metro's ability to sell debt, could potentially affect Metro's credit rating and presents a risk to existing debt and future bond sales. Staff is concerned that the language giving CalPERS a "lien on the assets of all parties to the terminating contracting agency, subject only to a prior lien for wages," may subject us to legal action from existing bondholders if this provision is applied retroactively. If the bill were prospective then we believe the risk from the placement of a lien would be minimized because we would have the ability to address the pension costs at the formation of the JPA and would subsequently provide notice of the obligation to future bondholders.

This bill fundamentally changes the structure of JPAs and could represent significant new costs that will be borne by Metro. This has the potential to severely impact Metro's budget and the services we provide. This bill would require that the Board of Directors re-negotiate its Joint Powers Agreements to include a provision that all the member agencies to the Agreement are jointly and severally liable for the JPA's pension obligations.

Staff recommends that the Board adopt an OPPOSE UNLESS AMENDED position on the measure AB 1912 (Rodriguez).

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

There is no determined safety impact due to the enactment of the proposed legislation.

#### **FINANCIAL IMPACT**

If the legislation is approved, unfunded pension and general liabilities transferred from dissolved JPAs could impact Metro's budget tremendously.

#### **ALTERNATIVES CONSIDERED**

Staff has determined that the Board could opt to take no action on this item; however, without a strong Board adopted position on the proposed legislation, Metro, as a member of several JPAs could be greatly impacted.

#### **NEXT STEPS**

Should the Board decide to adopt an OPPOSE UNLESS AMENDED position on this measure; staff will communicate the Board's position to the author and work to seek further amendments to the legislation. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.

## ATTACHMENT C

**BILL:** ASSEMBLY BILL 327  
AS AMENDED JUNE 4, 2018

**AUTHOR:** ASSEMBLYMEMBER MIKE GIPSON (D- CARSON)

**SUBJECT:** SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT:  
FLEETS.

**STATUS:** SENATE COMMITTEE ON TRANSPORTATION AND HOUSING  
HEARING: TBD  
SENATE COMMITTEE ON ENVIRONMENTAL QUALITY  
JUNE 20, 2018 – PASSED BY VOTE OF 5-2

**ACTION:** OPPOSE UNLESS AMENDED

### **RECOMMENDATION**

Staff recommends that the Board of Directors adopt an OPPOSE UNLESS AMENDED position on Assembly Bill 327 (Gipson).

### **ISSUE**

Assemblymember Mike Gipson (D-Carson) has recently amended AB 327 to include language related to South Coast Air Quality Management District's authority to regulate fleets.

Specifically, this bill:

- Would authorize the governing board of the South Coast District to adopt rules and regulations that require specified operators of public and commercial fleet vehicles consisting of 15 or more vehicles to purchase the cleanest commercially available vehicles, as defined, that will meet the operator's operational needs; to require the replacement of no more than 15% of existing vehicles per calendar year, as specified; and to require those cleanest commercially available vehicles to be operated, to the maximum extent feasible, in the south coast district; and
- Would make legislative findings and declarations as to the necessity of a special statute for the south coast district.

### **DISCUSSION**

Assemblymember Mike Gipson (D-Carson) has recently amended AB 327, which would update the South Coast Air Quality Management District (SCAQMD) authority to regulate fleets and adopt clean fleet regulations. This bill would authorize the South Coast Air Quality Management District (SCAQMD) to adopt rules and regulations that require operators of public and commercial fleet vehicles, including public transit agencies to purchase the cleanest commercially available vehicles.

Existing law authorizes the SCAQMD to adopt regulations that require operators of public and private commercial fleet vehicles to purchase vehicles that operate using clean-burning alternative fuels when adding or replacing vehicles in fleets. Staff has concerns with the recently amended language in that it conflicts with the current efforts at the California Air Resources Board (CARB) to mandate Zero-Emission bus purchases through the Innovate Clean Transit (ICT) Regulation.

Metro, as a member of the California Transit Association, has been working with a coalition of transit agencies and CARB during the process of developing the Innovative Clean Transit Regulation to ensure that Metro's Board priorities, Fleet and Operations plans for the agency's Zero-Emission Bus Fleet Conversion efforts are incorporated in to the final CARB rule. CARB's rule-making effort would mandate bus purchases and fleet conversion by 2030.

This bill is problematic because it directly conflicts with CARB's efforts to develop and implement the ICT regulation. If both agencies adopt regulations mandating electrification and conversion of fleets, Metro, and other Southern California agencies would be subject to overlapping requirements.

AB 327 (Gipson) language as drafted is problematic because this bill would give the SCAQMD new authority to adopt a zero-emission bus purchase mandate, impacting transit agencies, like Metro with fleets of at least 15 vehicles. This potentially would also impact contracted services, like Freeway Service Patrol, and other municipal operators in Los Angeles County and the Southern California region in SCAQMD's district boundaries. The FSP program inherently improves air quality because it reduces congestion. A new rule has the potential to increase costs of the program which could cause reductions in FSP service and significantly impact program operations.

Staff is recommending that the Board consider the following amendments to the legislation:

- Request that the author remove "passenger bus transportation" from the list of commercial fleet vehicles that can be regulated;
- Clarify that the commercial fleet vehicles that would fall under the proposed regulation, ie. contracted services, including those that operate the Freeway Service Patrol and other light- and medium-duty vehicles, and Metro's non-revenue fleet, not be negatively impacted by SCAQMD's rule.

Staff recommends that the Board adopt an OPPOSE UNLESS AMENDED position on the measure AB 327 (Gipson).

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

There is no determined safety impact due to the enactment of the proposed legislation.



### **FINANCIAL IMPACT**

Staff is currently evaluating the long-term potential impacts to Metro's Operating budget. If the legislation is approved, this could potentially impact Metro's budget significantly, by mandating zero-emission bus conversion as well as mandating conversion of non-revenue fleet and other light- and medium-duty vehicles sooner than expected. The exact financial impact is difficult to determine given that there is no way of knowing what rule SCAQMD would implement and what the resultant costs would be.

### **ALTERNATIVES CONSIDERED**

Staff has determined that the Board could opt to take no action on this item; however, without a strong Board adopted position on the proposed legislation, Metro, stands to be greatly impacted by the provisions outlined in the legislation. Metro's 2018 State Legislative Program outlines the Board's priorities for working in partnership with CARB, CTA, and SCAQMD to reach consensus on clean-air mandates and for supporting legislation that would help Metro to achieve its long-term clean-air goals.

### **NEXT STEPS**

Should the Board decide to adopt an OPPOSE UNLESS AMENDED position on this measure; staff will communicate the Board's position to the author and work to seek further amendments to the legislation. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.



## Board Report

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**File #:** 2018-0356, **File Type:** Policy

**Agenda Number:** 16.

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**REVISED  
EXECUTIVE MANAGEMENT COMMITTEE  
JUNE 20, 2018**

**SUBJECT: METRO VISION 2028 PLAN**

**ACTION: APPROVE ADOPTION OF METRO VISION 2028 PLAN**

**RECOMMENDATION**

ADOPT the Metro Vision 2028 Plan.

**ISSUE**

Metro staff presents to the Board of Directors a bold and ambitious agency-wide strategic plan, the Metro Vision 2028 Plan (Plan) (Attachment A), that intends to marshal the creativity, resources, and political will to shape our mobility future and unleash Los Angeles County's unparalleled economic and social promise over the next ten years. This report summarizes the content as well as the process undertaken to create this Plan and identifies the range and variety of roles that Metro will play to encourage, persuade, influence, and leader regional partners to transform mobility for the well-being of the people in LA County. The Plan establishes Metro's mission, vision, and goals and sets the principles for Metro to make decisions and conduct business over the next ten years. The Metro Vision 2028 Plan will align all Metro plans, programs, and services under one umbrella to achieve a unified vision. Other plans, such as the Long Range Transportation Plan update and the NextGen Bus Study, will adopt the same mission, vision and goals and provide more details on how they will be operationalized.

LA County has a complex transportation ecosystem that is controlled by a patchwork of local, regional, state, and federal agencies. However, these intricacies and nuances should be invisible throughout the transportation user's mobility experience. This Plan puts the customer at the heart of the journey to build a better transportation future for LA County. Successful implementation of the Plan will dramatically improve mobility, giving people more time to focus on the things that matter most to them.

**DISCUSSION**

The Plan addresses the root cause of the transportation problem: population and economic growth are increasing travel demand on a congested transportation system with space-constrained capacity. The current system is congested because roadway space is inefficiently used: limited street space is

largely given over to single-occupancy vehicles, which are too often stuck in traffic, while the most disadvantaged members of our community are confined to a patchwork of transportation options that frequently fail to meet their basic mobility needs. Better mobility in LA County can best be achieved by prioritizing the movement of people over vehicles. This means using our limited street space more effectively and giving everyone higher-quality options for getting around, regardless of how they choose to travel. We must create high-quality alternatives to solo driving so that individuals have reliable, convenient, and safe options for taking transit, walking, biking, sharing rides, and carpooling. By better managing roadway capacity, all users in LA County can have greater mobility.

Achievement of our mobility goals has long-term ramifications beyond the next ten years. Transportation accounts for nearly 40% of all greenhouse gas (GHG) emissions in California, and as demand for trips continues to increase due to population and economic growth, Metro's ability to increase use of modes other than driving alone is integral to reaching the LA region's and State of California's ambitious climate goals. The impact of rising GHG emissions and dependence on driving on public health only raises the level of urgency to change our approach to mobility. By providing more convenient, efficient, and appealing transportation options, Metro can move more people while reducing GHG emissions for each trip taken, thereby significantly limiting the impact transportation has on the environment and public health. A more diverse, responsive, and resilient transportation system will also be better equipped to handle the adaptation challenges that will come with a warming climate.

The Plan outlines the agency's strategic goals for 2018-2028 and the actions Metro will undertake to meet those goals. It explains what the public can expect from Metro over the next ten years and how Metro intends to deliver on those expectations. The Plan puts the user at the forefront of how we do business. Addressing the root cause of our transportation problem will require bold action and widespread support of the public. This is a collective effort requiring participation from many people in the region, making leadership and partnership essential to achieving these goals.

### Mission

Metro's mission is to provide a world-class transportation system that enhances quality of life for all who live, work, and play within Los Angeles County.

### Vision

Metro's vision is comprised of three parts:

- Increased prosperity for all by removing mobility barriers.
- Swift and easy mobility throughout Los Angeles County, anytime.
- Accommodating more trips through a variety of high-quality mobility options.

### Visionary Outcomes

Metro aims to double the total percent usage of transportation modes other than solo driving, including taking transit, walking, biking, sharing rides, and carpooling by accomplishing the following:

- Ensuring that all County residents have access to high-quality mobility options within a 10-minute walk or roll from home.
- Reducing maximum wait times for any trip to 15 minutes during at any time of the day.
- Improving average travel speeds on the County's bus network by 30 percent.

- Providing reliable and convenient options for users to ~~manage their travel time~~ bypass congestion.

### Strategic Plan Process

Staff conducted a comprehensive information-gathering exercise to identify key trends, issues, opportunities, and challenges for the region and to learn how Metro can meet those challenges. An overview of stakeholder outreach is provided in the Stakeholder Outreach Matrix (Attachment B).

Stakeholder engagement included:

- Conducted over 130 meetings to seek input on the major trends affecting transportation in LA County. External and internal stakeholder participants included Metro Board members and deputies, partner agencies, advocacy organizations, community groups, businesses, Metro departments, academia, and key influencers.
- Surveyed over 18,000 LA County residents and workers to better understand their transportation needs and concerns.
- Surveyed Metro employees to assess their readiness to implement the strategic vision of the organization. More than 4,700 employees responded to the survey.
- Released the draft Plan for public review on April 27, 2018. A summary of stakeholder input to the draft Plan and staff's response is provided in the Public Comments and Metro's Response Matrix (Attachment C).
- Convened a stakeholder summit on May 7, 2018, to solicit input after the release of the draft Plan. Over 150 participants attended to provide further input to the draft Plan.
- Presented the draft Plan at stakeholder meetings and met one-on-one with interested stakeholders to solicit additional input, during and beyond the public review period, as noted in Attachment B.

### Key Trends

Based on outreach to stakeholders, transportation system users, and staff, we identified the following key trends that describe the challenges and complexities of delivering efficient and effective mobility to the people of LA County:

1. Continued growth in demand is straining an already oversubscribed transportation system.
2. The challenges of meeting the mobility needs and expectations of a diverse region are becoming increasingly complex.
3. Technological innovations are changing the mobility landscape.
4. A shortage of affordable housing across the region exacerbates transportation challenges.
5. Failure to reform policies that favor solo driving will continue to add congestion and reduce mobility.

### Goals

The Plan is organized around five goals that together advance our vision for a world-class transportation system that will efficiently, effectively, and equitably serve the mobility needs of people and businesses in LA County:

1. Provide high-quality mobility options that enable people to spend less time traveling;
2. Deliver outstanding trip experiences for all users of the transportation system;
3. Enhance communities and lives through mobility and access to opportunity;
4. Transform Los Angeles County through regional collaboration and national leadership; and

5. Provide responsive, accountable, and trustworthy governance within the Metro organization.

The Plan describes the specific initiatives and actions we have identified for achieving each of these goals, including, where applicable, benchmarks and targets that will help Metro measure progress. The goals themselves and the action items identified to achieve those goals reflect input gathered through the outreach process described previously.

There are many important current and short-term initiatives underway at Metro that are not directly referenced in this Plan because they are already on a path towards implementation. The Plan focuses on initiatives that go beyond the status quo and the aggressive, strategic actions required to meet the region's ambitious mobility goals.

Stakeholder Outreach

Metro officially opened a formal public review period to collect feedback on the Vision 2028 Plan on April 27<sup>th</sup>. The review period closed on May 24, 2018. To share the contents of the Vision 2028 Plan, staff held a stakeholder summit on Monday, May 7, 2018 to provide an additional forum for sharing the vision and goals of the plan, collect feedback, and answer questions. Approximately 127 Over 150 participants attended, representing 72 organizations as well as individual interests-attended.

The Summit opened with attendees sharing stories of their transportation experiences to provide background and context for the overview of the draft Metro Vision 2028 plan. The overview presentation was followed by a question and answer period. The presentation portion of the Summit closed with an open house for one-on-one discussions regarding specific goals of the Plan.

Since the public release of the draft strategic plan, Metro staff members have presented the Vision 2028 Plan at a number of stakeholder meetings to collect feedback and answer questions on the content of the plan. Attachment B to this report lists the meetings and presentations completed or scheduled as of June 8, 2018. Staff will continue to make presentations as requested.

Through May 31, Metro received over 280 comments on the Vision 2028 Plan. Comment themes of particular interest are the following:

<b>Comments Theme</b>	<b>Metro Response</b>
Comments expressed concerns that there was not enough stakeholder engagement on the Plan.	List of stakeholder meetings, interviews, and presentations included in Appendix B of the Plan.

<p>Comments expressed that sustainability, climate change, and resilience are not sufficiently addressed. Comments expressed a desire for more emphasis on GHGs, sustainability, and resiliency to ensure that Metro continues to be eligible for funding and support.</p>	<p>Added more explicit language on sustainability and resilience and tie achievement of mobility goals to achievement of environmental and air quality goals throughout the document, particularly on pp. 16 and 34.</p>
<p>Comments expressed interest in partnering with Metro to accomplish vision and goals.</p>	<p>Comment noted.</p>
<p>Comments expressed concerns about level of funding needed to accomplish vision and goals.</p>	<p>Staff clarified for stakeholders that funding for initiatives will be determined later through other processes, such as LRTP, Strategic Budget Plan, discretionary grants, etc. Individual projects may be eligible for discretionary grant programs. Language has been added throughout the document to address the development of details in later plans.</p>
<p>Comments asked for details about the data and metrics that will be used to measure progress on the goals in V28.</p>	<p>Staff clarified for stakeholders that detailed data and metrics to measure progress on goals and initiatives will be determined later through other processes (e.g. LRTP, NextGen, BRT Vision &amp; Principles Study, etc.). Language has been added throughout the document to address the development of details in later plans.</p>
<p>Comments expressed support for the vision, but requested more details about how the vision will be accomplished. Comments expressed desire for more definition around the mode share measure and how we will measure the visionary outcomes. Comments expressed interest in understanding what data is available to determine mode share and requests to provide clarity on what types of trips (i.e. commuter vs. all) are included.</p>	<p>Revised metric for mode share (p. 9) to use percentage rather than total number. Action Matrix describes actions to determine data to be used.</p>

<p>Comments requested more specifics about equity, specifically regarding how outreach will engage underrepresented populations and how community engagement will be conducted. Comments suggested that Metro look at equity in terms of areas of highest need and not in terms of geographic equity (spreading money around).</p>	<p>Comment noted - Defer to equity framework to provide more detail.</p>
<p>Comments expressed both support for congestion pricing as well as some opposition. Opposition was more specific to congestion pricing on local streets.</p>	<p>Comment noted. Clarified for stakeholders that managing demand is essential to the improving mobility, and Metro is open to ideas on how to do that without pricing. Language for Initiative 1.3 has been modified to reflect that Metro is not looking solely at pricing to manage demand.</p>
<p>Comments expressed that there is not enough emphasis on goods movement and that highways and driving are ignored in V28. Comments expressed desire to acknowledge the need for new highway capacity for safety improvements and goods movement.</p>	<p>Added language to clarify the role of passenger mobility in improving goods movement. Added language on state of good repair on roads, highways, and shared-use freight corridors. Also added language to clarify that additional new capacity must consider demand management as part of implementation.</p>
<p>Comments requested acknowledgement that the term "safety" means different things to different people.</p>	<p>Comment noted. Language in document reflects Metro's desire to work with the community to inform security efforts.</p>
<p>Comments requested clarification that user experience initiatives applies to bus stops as much as rail stations. Comments expressed desire for consistency of experience for user, regardless of mode.</p>	<p>Clarified for stakeholders that Metro's Transfers Design Guide includes bus stops.</p>
<p>Comments requested removing reference to homeless populations from security initiative to avoid criminalizing homelessness. Comments asked V28 to address homelessness on the transit system.</p>	<p>Removed reference to homeless populations from Initiative 2.1. Added Initiative 3.4 on homelessness (p. 32).</p>

<p>Comments highlighted need for coordination with local municipalities, other transit operators, Caltrans, and other stakeholders to implement the plan. Comments requested clarity on who partners are and how they will be incentivized to partner with Metro on these initiatives.</p>	<p>Added language in Initiative 4.1 to defer to specific efforts for detailed strategies on key partners and coordination approach, as each process has different needs (pp. 34-35).</p>
<p>Comments requested clarity on what the term “incentives” means and how “incentives” will impact grant funding.</p>	<p>Clarified for stakeholders that Metro intends to leverage and pool resources to achieve goals of V28. Details will be developed through additional plans such as LRTP.</p>

A full comments summary and Metro’s responses are provided in Attachment C to this Board report. In addition, a tracked version of the draft Vision 2028 Plan has been included as Attachment D to disclose the language changes in the Plan resulting from public comments received.

**DETERMINATION OF SAFETY IMPACT**

The Plan affirms and reinforces a strong safety culture throughout our operations and practices. A key element of the Plan will be to promote a transportation system that improves safety for travelers.

**FINANCIAL IMPACT**

We will leverage funding and staff resources to accelerate the achievement of goals and initiatives prioritized in this Plan. This includes aligning all of the agency’s business processes, resources, plans, and tools with our strategic vision, goals, and initiatives and ensuring that financial decisions, annual budgets, programs, services, and the update of Metro’s Long Range Transportation Plan support the Metro Vision 2028 Plan. It also means aligning human capital and financial resource decisions to reflect the Plan’s vision and priorities. This realignment will occur in a phased approach over the next several years to allow for the completion of initiatives that are already in progress. Financial allocations over the ten year life of the Plan will be described in the 10-year Strategic Budget Plan with appropriations through the annual budgeting process. Assessments of planning, capital, or operating costs associated with specific initiatives in the Plan may also be brought before the Board for action individually, or as part of a program or associated actions, as appropriate.

Impact to Budget

A 10-year Strategic Budget Plan will be developed to align with resource allocations to accomplish the initiatives in the Metro Vision 2028 Plan.

**ALTERNATIVES CONSIDERED**



The Board could decide to delay or forgo the adoption of the Plan. This alternative is not recommended. A strategic plan is critical to achieving mobility goals for LA County. Over the coming decades, the Los Angeles County region will undertake one of the largest transportation infrastructure investments in the western hemisphere. As LA Metro works with public, community, and private sector partners to build out this infrastructure for the future, we are also seizing opportunities to improve mobility now, for the over 1.2 million people who rely directly on our bus and train service today and more than 10 million people whose quality of life is affected by our ability to implement transportation solutions that successfully meet their mobility needs in the next ten years. The Board's adoption of the Plan will provide support and direction for a comprehensive approach from our agency and spur the collective actions necessary to advance our vision for a world-class transportation system that will efficiently, effectively, and equitably serve the mobility needs of people who live, work, and play within LA County.

### **NEXT STEPS**

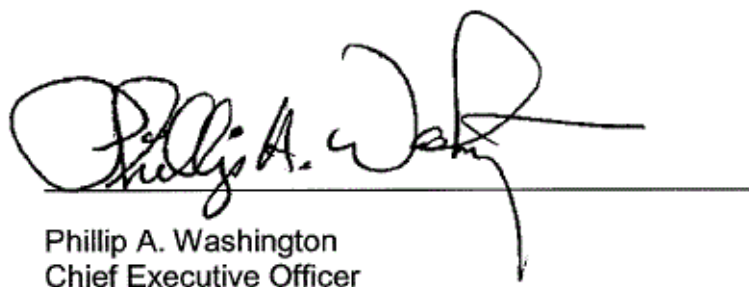
Upon approval, staff will initiate implementation of the steps identified in the Plan, including the identification and selection of parameters and data sources for benchmarking non-solo driving mode share, development of a 10-year Strategic Budget Plan, assignment of staff to oversee the customer experience, and developing a framework for the performance management and continuous improvement program. Staff will provide periodic updates to the Board on the status of Plan implementation.

### **ATTACHMENTS**

- Attachment A - Metro Vision 2028 Plan
- Attachment B - Stakeholder Outreach Matrix
- Attachment C - Summary of Public Comments Received by May 31, 2018
- Attachment D - Metro Vision 2028 Plan - Tracked Version
- Attachment E - Appendices to Metro Vision 2028 Plan

Prepared by: Tham Nguyen, Senior Manager, Transportation Planning, (213) 922-2606  
Nadine Lee, Deputy Executive Officer, Innovation, (213) 418-3347

Reviewed by: Joshua Schank, Chief Innovation Officer, (213) 418-3345



Phillip A. Washington  
Chief Executive Officer

[http://libraryarchives.metro.net/DB\\_Attachments/Report\\_Metro%20Vision%202028%20Plan\\_FINAL%20DRAFT-20180612.pdf](http://libraryarchives.metro.net/DB_Attachments/Report_Metro%20Vision%202028%20Plan_FINAL%20DRAFT-20180612.pdf)

**Appendix B: Summary of Outreach**

<b>Engaged During Development of Draft Plan</b>
<b>External Stakeholders &amp; Interviewees</b>
Access Services: Andre Colaiace, Executive Director
Accessibility Advisory Committee
Alliance for Community Transit: Laura Raymond
Brian Taylor, Professor of Urban Planning, University of California, Los Angeles, Luskin School of Public Affairs; Director, Lewis Center for Regional Policy Studies; Director, Institute of Transportation Studies; OEI Advisory Board Member
California Department of Transportation (Caltrans): Kome Ajise, Chief Deputy Director; OEI Advisory Board Member
Council of Governments: Gateway Cities COG Board Meeting
Daniel Sperling, Professor of Civil and Environmental Science and Policy, University of California, Davis; Director of Institute of Transportation Studies; OEI Advisory Board Member
David Ulin, Professor of the Practice of English at University of Southern California and author of Sidewalking
Ethan Elkind, Director, Climate Change and Business Program, University of California (UC), Los Angeles & UC Berkeley School Law; OEI Advisory Board Member
Faith Leaders Breakfast
Gil Penalosa, Founder & Board Chair of 8 80 Cities, Chair of World Urban Parks, Gil Penalosa & Assoc.; Ryan O'Connor, interim ED at 8 80 Cities; Amanda O'Rourke, Senior Advisor, Gil Penalosa & Associates
Hilary Norton, Executive Director, Fixing Angelenos Stuck in Traffic (FAST); OEI Advisory Board Member
Investing in Place: Jessica Meaney, Amanda Staples
Jeremy B. Dann, Lecturer in Entrepreneurship and Director, University of Southern California, Case Program; OEI Advisory Board Member
Karen Philbrick, Mineta Transportation Institute; OEI Advisory Board Member
Kim Kawada, Chief Deputy Executive Director, San Diego Association of Governments; OEI Advisory Board Member
LA-Mas: Helen Leung, Co-Executive Director
Los Angeles County Bicycle Coalition: Tamika Butler, Executive Director
Los Angeles County Department of Public Health, Policies for Livable, Active Communities and Environments (PLACE) Program: Jean Armbruster, Director; Chanda Singh, Policy Analyst
Los Angeles Tourism & Convention Board: Adam Burke, Chief Administrative Officer; Patti MacJennett, Senior Vice President, Business Affairs
Mark Kroncke, Partner, Invoke Technologies
Martin (Marty) Wachs, Distinguished Professor Emeritus of Urban Planning, University of California, Los Angeles, Luskin School of Public Affairs; OEI Advisory Board Member
Metro Accessibility Advisory Committee
Metro Chief Executive Officer and Subregional Executive Directors' Meeting
Metro Service Council: Quarterly Meet & Confer
Metro Technical Advisory Committee
Metro Technical Advisory Committee: Bus Operations Subcommittee
Metro Technical Advisory Committee: Local Transit System Subcommittee

**Appendix B: Summary of Outreach**

<b>External Stakeholders &amp; Interviewees (Continued)</b>
Metro Technical Advisory Committee: Streets & Freeway Subcommittee
Move LA: Denny Zane, Executive Director
Multicultural Communities for Mobility: Anisha Hingorani, Program and Policy Manager
Natural Resources Defense Council: Amanda Eakin, Director, Transportation and Climate
Office of Extraordinary Innovation (OEI) Advisory Board
Paul Curcio, Urban Studies and Planning Lecturer, University of California, San Diego, Urban Studies and Planning; Miralto; OEI Advisory Board Member
Peter Marx, Executive Director, GE Digital; University of California, Los Angeles, Lewis Center and USC Annenberg Innovation Lab; OEI Advisory Board Member
Port of Long Beach: Allison Yoh, Director of Transportation Planning
Port of Los Angeles: Kerry Cartwright, Director of Goods Movement
Rani Narula-Woods, Shared-Use Mobility Center; OEI Advisory Board Member
Ratna Amin, Transportation Policy Director, San Francisco Bay Area Planning and Urban Research (SPUR); OEI Advisory Board Member
Richard Willson, Professor of Urban and Regional Planning, Cal Poly Pomona; OEI Advisory Board Member
Rick Cole, City Manager of City of Santa Monica
Seleta Reynolds, General Manager, Los Angeles Department of Transportation
Southern California Association of Governments: Hasan Ikhata, Executive Director; OEI Advisory Board Member
Southern California Regional Rail Authority: Anne Louise Rice, Assistant Director
Sudipto Aich, Ford Smart Mobility
Susan Shaheen, University of California, Berkeley, Transportation Sustainability Research Center; OEI Advisory Board Member
Trust South LA: Sandra McNeill
Yonah Freemark, Urbanist & Journalist
<b>Metro Board Members &amp; Deputies</b>
Director Carrie Bowen
Director Eric Garcetti
Director Jacquelyn Dupont-Walker
Director Janice Hahn
Director John Fasana
Director Mark Ridley-Thomas
Director Robert Garcia
Director Sheila Kuehl
Metro Board Deputies: Javier Hernandez & Waqas Rehman (On behalf of Director Hilda Solis)
<b>Internal Metro Interviewees</b>
Ad-Hoc Customer Experience Committee
Board Secretary's Office: Michele Jackson, Christina Goins, Collete Langston, Deanna Phillips
Chief Policy Office: Elba Higueros, Jonathan Adame, Claudia Galicia, Aaron Johnson
Civil Rights & Equal Employment Opportunity Team: Dan Levy, Jess Segovia, Jonaura Wisdom
Communication, Community Relations Team

**Appendix B: Summary of Outreach**

Internal Metro Interviewees (Continued)
Communication, Marketing: Glen Becerra, John Gordon, Lan-Chi Lam, Michael Lejeune, Bernadette Mindiola
Communication, Public Relations: Joni Goheen, Aurea Adao, Ana Chen, Luis Enzunza, Steve Hymon, Rick Jager, Dave Sotero, Jose Ubaldo
Communications Team: Pauletta Tonilas, Glen Becerra, Joni Goheen, Gail Harvey, Ron Jue, Ann Kerman, Jackie Lopez, Vanessa Smith, Michael Turner
Communications, Government Relations: Michael Turner, Raffi Hamparian, Marisa Yeager, Crystall Martell
Communications, Marketing: Glen Becerra, Devon Demining, John Gordon, Lan-Chi Lam, Michael Lejeune, Kevin Pollard
Communications: Pauletta Tonilas, Yvette Rapose, Jodi Litvak, John Gordon
Congestion Reduction Team
Countywide Planning & Development, Active Transportation Team: Laura Cornejo, Robert Machuca, Jackie Su, Brett Thomas, Julia Salinas, Henry Phipps, Jingyi Fan, Alice Tolar, Lia Yim, Tony Jusay
Countywide Planning & Development, Goods Movement: Michael Cano, Akiko Yamagami
Countywide Planning & Development, Long/Short Range Planning: Brad McAllester, Heather Hills, Mark Yamarone, Rena Lum
Countywide Planning & Development, Regional Grants Management Team: Frank Flores, Cosette Stark, James Allen, Diego Ramirez, Vanessa Ward, Ann Flores, Kathy Banh, Emma Nogales, Vincent Lorenzo, Nathan Maddox
Countywide Planning & Development, Shared Mobility Team staff meeting: Dolores Roybal-Saltarelli, Valerie Rader, Neha Chawla, Aaron Voorhees, Kevin Holliday, Jenny Cristales-Cevallos
Countywide Planning & Development, Strategic Financial Planning & Programming: Wil Ridder, Kalieh Honish, Mark Linsenmayer, Herman Cheng, Patricia Chen, Gloria Anderson
Countywide Planning & Development, Sustainability: Diego Cardoso, Jacob Lieb, Katie Lemmon
Countywide Planning & Development, System Analysis/Research: Chaushie Chu, Falan Guan, Paul Burke, Ying Zhu
Countywide Planning & Development, Systemwide Planning: Adam Light, Georgia Sheridan, Cory Zelmer, Rachelle Andrews
Countywide Planning & Development, Transit Oriented Community/Joint Development/Strategic Initiatives/Parking: Jenna Hornstock, Adela Felix, Well Lawson, Frank Ching, Nick Saponara, Greg Angelo, Elizabeth Carvajal
Human Capital & Development, Employee & Labor Relations, Administration: Ashley Martin, Cathy Zhu, Shuyen Lin, Melinda Perrier, Imelda Hernandez, Arnel Abeleda, Flor Anaya
Human Capital & Development, Employee & Labor Relations: Steve Espinoza, Tara Butler, Brendan Adams, Sharde Jackson, Rachael Aguirre, Gabriela De Leon, Kimberlee Vandenakker, Esther Reed, Robert Chavez, Judith Baxter
Human Capital & Development, Talent Acquisition Team

## Appendix B: Summary of Outreach

Internal Metro Interviewees (Continued)
Human Capital & Development: Joanne Peterson, Dan Dzyacky, Carmen Mayor, Don Howey, Steve Espinoza, Patrice McElroy, Avis Gibson, Steve Jaffe
Information Technology Services: Dave Edwards, Joe Giba, Bill Balter, Matt Barrett, Doug Anderson, Vincent Tee, Pat Astredo
Management Audit Services Team
Matt Barrett, Manager, Policy Research and Library Services
Office of Management & Budget Team: Nalini Ahuja, David Sutton, Kelly Hines, Conan Cheung, Michelle Navarro, Gwen, Giovanna Gogreve, Tina Marquez, Jesse Soto, Perry Blake, Drew Phillips
Office of Management & Budget, TAP: Robin O'Hara
Operations & Maintenance Team: Jim Gallagher, Diane Corral-Lopez, Jesse Montes, Alex DiNuzzo, John Hillmer, Bob Holland, Dan Nguyen, Frank Alejandro, Bob Spadafora, Bernard Jackson, Conan Cheung, Jesse Montes, Bob Holland, Errol Taylor, Michael Ornelas, Nancy Saravia, Julio Rodriguez
Operations, Bus Maintenance Team
Operations, Maintenance, Non-Revenue: Daniel Ramirez
Operations, Rail Fleet Services: Bob Spadafora, Russell Homan, Fred, Ted, Michael, Arnold, Rick
Operations, Service Development, Service Planning & Scheduling, Regional Service Council: Jon Hillmer, Dan Nguyen, Gary Spivack, Scott Page
Operations, South Bay Division 18
Operations: Division 5 RAP Session
Program Management, Environmental Compliance and Sustainability staff meeting: Emmanuel (Cris) Liban, Alex Cantwell, Heather Severin, Ryan Honda, Dan Rob, Alvin Kusumoto, Dilara Rodriguez, Erika Wilder, Evan Rosenberg, Jesus Villanueva, Kingsley, Shannon Walker, Tom Kefalas, Kyle Lefton, Andrew Quinn, Cody Bricks
Program Management, Highways Program Staff Meeting
Program Management, Program Control: Brian Boudreau, Julie Owen, Amy Wang, Sal Chavez, Paul Briggs, Ferri Ahmadi, Julie Lansford, Richard Mora, Brittany Zhuang, Dennis
Program Management: Abdollah Ansari, Gary Baker, Dennis Mori, Brian Pennington, Tim Lindholm, Rick Meade, Rick Clark, Cris Liban, Charles Beauvoir, Brian Boudreau, Sam Mayman, Pauline Lee
Program Management: Westside Purple Line Project Managers - Dennis Mori and Michael McKenna
Risk Management, Emergency & Homeland Security Preparation: Greg Kildare, Richard, Denise Longley, Juanita (Nita) Welch, Raymond (Ray) Lopez, Dennis, Tim Rosevear, Edward Bagosian, Vijay Khawani

**Appendix B: Summary of Outreach**

<b>Internal Metro Interviewees (Continued)</b>
Senior Leadership Team: Alex Wiggins, System Security and Law Enforcement; Dan Levy, Office of Civil Rights; Dave Edwards, ITS; Debra Avila, Vendor Contract Management; Diana Estrada, Management Audit; Elba Higueros, Board Relations, Policy & Research; Greg Kildare, Risk, Safety, and Asset Management; Jim Gallagher, Operations; Joanne Peterson, Human Capital & Development; Joshua Schank, Office of Extraordinary Innovation; Karen Gorman, Inspector General; Nalini Ahuja, Office of Management & Budget; Pauletta Tonilas, Communications; Phillip Washington, Chief Executive Officer; Richard Clarke, Program Management; Stephanie Wiggins, Deputy Chief Executive Officer; Therese McMillan, Countywide Planning & Development
System Security & Law Enforcement Staff Meeting: Alex Wiggins, Jennifer Loew, Tinh Quach, Barry Aboltin, Cathie Banuelos, Rivers Jacques, Shawn Khodadadi, Vache Minasyan, Gustavo Ortega, Sanda Solis, Helen Valenzuela, Brandon Wong, Mario Zamorano
Vendor/Contract Management: Debra Avila, Ivan Page, Michael Gonzalez, Selena Landero, Carolina Coppolo, Andrea Arias, Miguel Cabral
<b>Engaged After Draft Plan Released for Public Comment</b>
<b>External Stakeholders &amp; Interviewees</b>
Aging & Disability Transportation Network
Accessibility Advisory Committee
Alma Family Services: Lourdes Caracoza
Automobile Club of Southern California
Commission on Disabilities (Los Angeles County)
First 5 LA: Debbie Sheen, John Guevarra, Roxana Martinez
Investing in Place: Jessica Meaney, Amanda Staples
LA Metro Sustainability Council
Los Angeles Area Chamber of Commerce: Transportation and Goods Movement Council
Los Angeles County Business Federation (BizFed) Transportation Committee
Metro Freight Working Group
Metro Policy Advisory Committee
Metro Technical Advisory Committee
Metro Technical Advisory Committee: Bus Operations Subcommittee
Metro Technical Advisory Committee: Local Transit Systems Subcommittee
Northern Corridor Cities Meeting
Regional Service Councils Quarterly Meet & Confer
<b>Internal Metro Stakeholders</b>
Ad-Hoc Customer Experience Committee

**SUMMARY OF PUBLIC COMMENTS RECEIVED BY MAY 31, 2018**

<b>Comments Theme</b>	<b>Metro Response</b>
<b>General</b>	
Comments expressed concerns that there was not enough stakeholder engagement on the Plan.	List of stakeholder meetings, interviews, and presentations included in Appendix B of the Plan.
Comments asked how V28 relates to other efforts underway at Metro and at the regional and state levels (e.g., LRTP update, NextGen Bus Study, SCAG RTP, etc.).	Added language (p. 16) to document on role of V28 and relationship to other plans.
Comments expressed that sustainability, climate change, and resilience are not sufficiently addressed. Comments expressed a desire for more emphasis on GHGs, sustainability, and resiliency to ensure that Metro continues to be eligible for funding and support.	Added more explicit language on sustainability and resilience and tie achievement of mobility goals to achievement of environmental and air quality goals throughout the document, particularly on pp. 16 and 34.
Comments expressed interest in partnering with Metro to accomplish vision and goals.	Comment noted.
Comments expressed concerns about level of funding needed to accomplish vision and goals.	Staff clarified for stakeholders that funding for initiatives will be determined later through other processes, such as LRTP, Strategic Budget Plan, discretionary grants, etc. Individual projects may be eligible for discretionary grant programs. Language has been added throughout the document to address the development of details in later plans.
Comments asked for details about the data and metrics that will be used to measure progress on the goals in V28.	Staff clarified for stakeholders that detailed data and metrics to measure progress on goals and initiatives will be determined later through other processes (e.g. LRTP, NextGen, BRT Vision & Principles Study, etc.). Language has been added throughout the document to address the development of details in later plans.
<b>Vision</b>	
Comments expressed support for the vision, but requested more details about how the vision will be accomplished. Comments expressed desire for more definition around the mode share measure and how we will measure the visionary outcomes. Comments expressed interest in understanding what data is available to determine mode share and requests to provide clarity on what types of trips (i.e. commuter vs. all) are included.	Revised metric for mode share (p. 9) to use percentage rather than total number. Action Matrix describes actions to determine data to be used.



SUMMARY OF PUBLIC COMMENTS RECEIVED BY MAY 31, 2018

Comments Theme	Metro Response
<b>Goal 1</b>	
Comments requested more specifics about equity, specifically regarding how outreach will engage underrepresented populations and how community engagement will be conducted. Comments suggested that Metro look at equity in terms of areas of highest need and not in terms of geographic equity (spreading money around).	Comment noted - Defer to equity framework to provide more detail.
Comments expressed desire for more language on roles of modes other than SOVs and mass transit, such as bikes, peds, telecommuting.	Added language to reference Active Transportation Strategic Plan.
Comments expressed desire to elevate the role of asset management in V28.	Comment noted.
Comments expressed both support for congestion pricing as well as some opposition. Opposition was more specific to congestion pricing on local streets.	Comment noted. Clarified for stakeholders that managing demand is essential to the improving mobility, and Metro is open to ideas on how to do that without pricing. Language for Initiative 1.3 has been modified to reflect that Metro is not looking solely at pricing to manage demand.
Comments expressed that there is not enough emphasis on goods movement and that highways and driving are ignored in V28. Comments expressed desire to acknowledge the need for new highway capacity for safety improvements and goods movement.	Added language to clarify the role of passenger mobility in improving goods movement. Added language on state of good repair on roads, highways, and shared-use freight corridors. Also added language to clarify that additional new capacity must consider demand management as part of implementation.
<b>Goal 2</b>	
Comments requested acknowledgement that the term "safety" means different things to different people.	Comment noted. Language in document reflects Metro's desire to work with the community to inform security efforts.
Comments requested that Metro more explicitly address operations safety, in addition to security.	Adding more explicit language on safety culture (Initiative 5.6, p. 39).
Comments requested clarification that user experience initiatives applies to bus stops as much as rail stations. Comments expressed desire for consistency of experience for user, regardless of mode.	Clarified for stakeholders that Metro's Transfers Design Guide includes bus stops.
Comments requested removing reference to homeless populations from security initiative to avoid criminalizing homelessness. Comments asked V28 to address homelessness on the transit system.	Removed reference to homeless populations from Initiative 2.1. Added Initiative 3.4 on homelessness (p. 32).
<b>Goal 3</b>	
Comments expressed desire for more language on Metro's role in placemaking and activating spaces.	Revised language in Initiative 3.2 to reference draft TOC policy (pp. 31-32).

**SUMMARY OF PUBLIC COMMENTS RECEIVED BY MAY 31, 2018**

<b>Comments Theme</b>	<b>Metro Response</b>
<b>Goal 4</b>	
Comments highlighted need for coordination with local municipalities, other transit operators, Caltrans, and other stakeholders to implement the plan. Comments requested clarity on who partners are and how they will be incentivized to partner with Metro on these initiatives.	Added language in Initiative 4.1 to defer to specific efforts for detailed strategies on key partners and coordination approach, as each process has different needs (pp. 34-35).
Comments requested clarity on what the term “incentives” means and how "incentives" will impact grant funding.	Clarified for stakeholders that Metro intends to leverage and pool resources to achieve goals of V28. Details will be developed through additional plans such as LRTP.
<b>Goal 5</b>	
Comments expressed interest in data availability for outside parties.	Added Initiative 5.3 on data management.

<http://libraryarchives.metro.net/DB Attachments/Report Metro%20Vision%202028%20Plan FINAL%20DRAFT-20180612-TRACKED.pdf>

## Attachment E

[http://libraryarchives.metro.net/DB Attachments/Appendices%20A%20-%20D\\_Final.pdf](http://libraryarchives.metro.net/DB_Attachments/Appendices%20A%20-%20D_Final.pdf)



## Board Report

File #: 2018-0323, File Type: Program

Agenda Number: 17.

### EXECUTIVE MANAGEMENT COMMITTEE JUNE 20, 2018

**SUBJECT: FEDERAL TRANSIT ADMINISTRATION  
DISADVANTAGED BUSINESS ENTERPRISE OVERALL  
GOAL**

**ACTION: RECOMMENDATION**

#### **RECOMMENDATION**

APPROVE 27% Disadvantaged Business Enterprise (DBE) overall goal for Federal Fiscal Years (FFY) 2019 - 2021 for contracts funded, in whole or in part with Federal Transit Administration (FTA) funds.

#### **ISSUE**

The United States Department of Transportation (USDOT) Disadvantaged Business Enterprise (DBE) Program regulations, 49 Code of Federal Regulations (CFR) Section 26.21, require FTA grantees, who can reasonably anticipate awarding \$250,000 or more in prime contracts, to submit an overall goal to FTA for the participation of DBE firms every three years. The current FFY 2016 - 2018 three-year overall goal is 26%.

#### **DISCUSSION**

The Metro proposed DBE overall goal for FFY 2019 - 2021 is 27%, a 1% increase from the current goal. The proposed overall goal was established by using the two-step goal-setting methodology prescribed in 49 CFR § 26.45. Metro's base figure for establishing the relative availability of DBEs follows the method suggested in 49 CFR § 26.45(c)(3), the use of data from a disparity study (Study). Metro's 2017 Study conducted by BBC Research Consulting (BBC), analyzed prime contract and subcontract procurement data for a five-year period from January 11, 2011 through December 21, 2015.

The Study provided comprehensive analyses of DBE utilization, DBE availability and the extent to which race conscious remedial action can be applied to the DBE program. The draft Study report was released and made available to stakeholders (including the Transportation Business Advisory Council), contracting community and the general public for review and comment during a 45-day comment period from November 17, 2017 through January 2, 2018. Metro held three public hearings

in December 2017 to present study findings and receive comments. Staff presented the final Study report at the February 2018 Executive Management and Audit Committee.

### Overall DBE Goal Calculation Methodology

In the proposed Overall DBE Goal Methodology Report FFY 2019 - 2021 (Goal Setting Report), found in Figure 1 of Attachment A, Step 1 includes establishing a base figure of relative DBE availability. This was done by utilizing quantifiable evidence to determine the relative availability of minority and woman-owned businesses that are ready, willing, and able to perform transportation-related work. The Study calculated a weighted base enumerating availability in accordance with the proportion of contracts reviewed during the Study period. In its review of anticipated contracts Metro expects to award in the upcoming goal period, it was determined that such contracts are similar to the types, and size of contracts that were analyzed during the Study period. As such, staff recommends the Study base figure of 27%.

Once the base figure has been calculated, Step 2 of the process requires Metro to consider other known factors to determine what additional adjustments, if any, to the base figure are needed. Factors considered in this review include past DBE participation and private sector discrimination. Additionally, anecdotal evidence collected during the performance of the Disparity Study was reviewed. After taking these factors into account, no adjustment to the base figure was made. The weighted base figure of 27% is recommended as the overall goal.

### Race-Conscious Application

DBE contract-specific goals can be set higher or lower than the overall goal based on the scope of work of the contract and the identified subcontracting opportunities. Guidance issued by the USDOT and FTA as a result of the decision of the Ninth Circuit Federal Court in the *Western States Paving Co., Inc. v. Washington State Department of Transportation* mandates that race-conscious measures used to remedy effects of discrimination must be “narrowly tailored” to those groups where there is sufficient demonstrable evidence of discrimination.

As such, recipients in the Ninth Circuit cannot consider the use of a race-conscious goal unless a finding of disparity has been made for the ethnic and gender groups to be included in the application. The Study found all groups with the exception of Subcontinent Asian American-owned businesses, exhibited disparity indices substantially below parity on contracts without DBE goals. A disparity index of 100 indicates parity between participation and the availability for a particular group for a specific set of contracts. A disparity less than 80 has been deemed by several courts to be a “substantial” disparity between participation and availability and have accepted it as evidence of adverse conditions for M/WBEs. The Study shows disparity indices for groups on contracts with no goals as follows: Hispanic American (59), Black American (30), Non-Hispanic white women (37), Asian-Pacific American (73), Native American (52), and Subcontinent Asian American (161). The Study results support the continued use of DBE contract goals, narrowly tailored to those groups with substantial

disparity.

### Limited Application Waiver

The DBE Program 49 CFR § 26.47 requires that overall goals must provide for participation by all certified DBEs and must not be subdivided into group specific goals.

FTA guidance requires Metro to submit a waiver for approval to sub-divide (apply limited application) race conscious DBE contract goals. Metro intends to submit a limited waiver request to FTA to allow the agency to limit its use of race and gender-conscious measures (i.e., DBE contract goals) to those DBE groups for which compelling statistical evidence of discrimination—that is, substantial disparities. Based on results from the 2017 Metro Disparity Study, staff will request to limit its use of DBE contract goals to the following business groups: Black American-owned DBEs, Hispanic American-owned DBEs, Native American-owned DBEs, Asian Pacific American-owned DBEs, and woman-owned DBEs. Metro would not consider Subcontinent Asian American-owned DBEs as eligible for DBE contract goals at this time. The limited waiver is reviewed by FTA Headquarters and forwarded to the U.S. Department of Transportation (US DOT), Office of the Secretary for approval. If approved, staff will notify the Board and the contracting community of any change to the implementation of contract-specific goals.

### Public Participation

In accordance with the regulations, Metro staff conducted a consultation meeting at the May 3, 2018 TBAC meeting to present the proposed overall goal and goal methodology, and to seek comments from minority and woman-owned businesses. The DBE overall goal and goal methodology and presentation were posted on the Metro website May 11, 2018. A 30-day public comment period was conducted beginning May 11, 2018 and ended on June 11, 2018. Staff held public meetings on May 17, 2017 and on June 6, 2017 at Metro Headquarters. Staff also issued e-blasts to inform the business community of the public notice, public meetings and ways to submit written or verbal comments. As of the filing of this report, staff has received relatively few comments on the proposed goal. One representative of a DBE asked how this would impact goals on projects and expressed concern that contract goals are being met primarily through suppliers.

### Comparison of Other Agency Overall Goals

Metro staff surveyed other transportation agencies to determine the level of overall goals in comparison to Metro's Overall DBE Goal. The results are summarized below:

Agency Name	Overall DBE Goal	Goal Period
Los Angeles County Metropolitan Transportation Authority	27%	FFY 2019 - 2021
New York City Transit	6%	FFY 2016 - 2018
San Francisco Municipal Railway	15%	FFY 2017 - 2019

Metropolitan Atlanta Rapid Transit Authority	16%	FFY 2018 - 2020
Denver Regional Transportation District	19%	FFY 2014 - 2016
Southeastern Pennsylvania Transportation Authority	15%	FFY 2018 - 2020
San Francisco Bay Area Rapid Transit	17%	FFY 2017 - 2019
Dallas Area Rapid Transit	25%	FFY 2017 - 2019
Caltrans	6.95%	FFY 2016 - 2019
Santa Clara Valley Transportation Authority	13%	FFY 2017 - 2019
Washington Metropolitan Area Transit Authority	22%	FFY 2017 - 2019
Metrolink	25%	FFY 2016 - 2018
Orange County Transportation Authority	10%	FFY 2016 - 2018
Maryland Transit Administration	30%	FFY 2017 - 2019

**DETERMINATION OF SAFETY IMPACT**

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

**FINANCIAL IMPACT**

Funding to support the DBE Program is included in the FY18 budget for multiple capital and non-capital projects.

**ALTERNATIVES CONSIDERED**

The triennial overall DBE goal is a requirement under the DBE program and a condition of receiving FTA funds.

**NEXT STEPS**

- Submit DBE overall goal and goal methodology and limited waiver request to FTA by August 1, 2018 deadline, in order to prevent any delay in the receipt of federal funds
- Overall DBE goal effective October 1, 2018 through September 30, 2021
- Notify the Board of US DOT, Office of Secretary approval or disapproval of limited waiver
- If limited waiver is approved, notify contracting community of changes to application of contract-specific goals

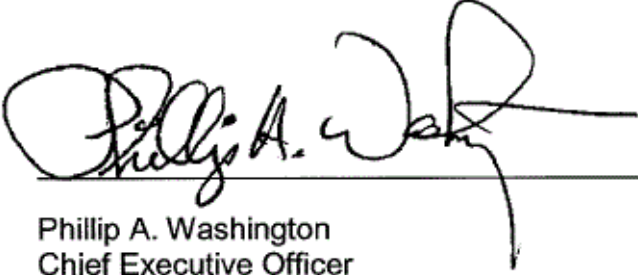
**ATTACHMENTS**

Attachment A - Overall DBE Goal Methodology Report FFY 2019 - 2021

Prepared by: Tashai R. Smith, DEO, DEOD, (213) 922-2128  
 Miguel Cabral, EO, DEOD (213) 418-3270



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



Phillip A. Washington  
Chief Executive Officer



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel  
metro.net

## **DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM PROPOSED THREE-YEAR OVERALL GOAL & METHODOLOGY FOR FEDERAL FISCAL YEARS 2019 THROUGH 2021**

The Los Angeles County Metropolitan Transportation Authority (Metro) revised its three-year overall Disadvantaged Business Enterprise (DBE) goal for federal fiscal years (FFYs) 2016 through 2018 to the Federal Transit Administration (FTA) on January 31, 2017. FTA subsequently approved Metro's goal of 26 percent. In accordance with 49 Code of Federal Regulations (CFR) Part 26, the United States Department of Transportation's (USDOT's) "Tips for Goal-Setting," and other official USDOT guidance, Metro based its initial 2016-2018 goal and methodology on information collected from the 2012 LA Metro DBE Program Disparity Study. Metro also considered information from certification lists; trade and business associations; and various chambers of commerce.

In 2016, Metro commissioned BBC Research & Consulting (BBC) to conduct a disparity study related to the agency's implementation of the Federal DBE Program. BBC completed the study in March 2018 (referred to herein as the 2017 Metro Disparity Study). As part of the disparity study, BBC examined whether there are any disparities between:

- The percentage of contract dollars (including subcontract dollars) that Metro spent with minority- and woman-owned businesses during the study period (i.e., *utilization*); and
- The percentage of contract dollars that minority- and woman-owned businesses might be expected to receive based on their availability to perform specific types and sizes of Metro's prime contracts and subcontracts (i.e., *availability*).

The disparity study also examined other quantitative and qualitative information related to:

- The legal framework surrounding Metro's implementation of the Federal DBE Program;
- Local marketplace conditions for minority- and woman-owned businesses; and
- Contracting practices and business assistance programs that Metro or other entities in its marketplace currently have in place.

Based on disparity study results, federal guidance, and relevant case law, Metro proposes a new three-year overall DBE goal for FFYs 2019 through 2021. To determine its new overall DBE goal, Metro followed federal regulations including the two-step goal-setting methodology set forth in 49 CFR Part 26.45.

### **Step 1. Determining a Base Figure – 49 CFR Section 26.45(c)**

Metro began the process of determining its new overall DBE goal by establishing a base figure. Consistent with USDOT guidance, Metro established a base figure based on data from a *custom census* availability analysis that BBC conducted as part of the 2017 Metro Disparity Study. For

the purposes of establishing a base figure, the availability analysis was limited to the availability of *potential DBEs*—minority- and woman-owned businesses that are currently DBE-certified or appear that they could be DBE-certified based on revenue requirements described in 49 CFR Part 26.65—for FTA-funded prime contracts and subcontracts that Metro awarded from January 1, 2011 through December 31, 2015 (referred to herein as the study period).<sup>1, 2</sup> Metro has determined that the mix of the types and sizes of transportation contracts that it anticipates awarding in FFYs 2019 through 2021 will be similar to the mix of types and sizes of transportation contracts that it awarded during the study period.

**Methodology for the availability analysis.** The availability analysis focused on specific work areas (i.e., *subindustries*) related to the types of FTA-funded contracts that Metro awarded during the study period. BBC identified specific subindustries—based on 8-digit Dun & Bradstreet (D&B) industry codes—for inclusion in the availability analysis and identified the geographic areas in which Metro awarded the vast majority of corresponding contract dollars (i.e., the relevant geographic market area). BBC based its determination of the relevant geographic market area on information about where the contractors that participated in Metro prime contracts and subcontracts during the study period were located. The analysis indicated that, during the study period, 74 percent of Metro’s transportation-related construction; professional services; and goods and other services contracting dollars went to businesses with locations in Los Angeles County, indicating that Los Angeles County should be considered the relevant geographic market area for the study.

**Overview of availability surveys.** The study team developed a database of potentially available businesses through surveys with local business establishments within relevant subindustries. The study team conducted telephone surveys with business owners and managers to identify businesses that are potentially available for Metro’s FTA-funded prime contracts and subcontracts.<sup>3</sup> BBC began the survey process by collecting information about business establishments from D&B Marketplace listings. BBC collected information about all business establishments listed under 8-digit work specialization codes (as developed by D&B) that were most related to the FTA-funded contracts that Metro awarded during the study period. BBC then contacted listed businesses to solicit their participation in availability telephone surveys.

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<sup>1</sup> Consistent with USDOT guidance, Metro considers any contract with at least \$1 of FTA funding as an “FTA-funded contract” and includes the total value of the contract in its pool of total FTA-funded contracting dollars.

<sup>2</sup> BBC defined woman-owned businesses specifically as *non-Hispanic white woman-owned businesses*. BBC grouped minority woman-owned businesses with their corresponding minority groups (e.g., grouping Black American woman-owned businesses with all other Black American-owned businesses). For details about BBC’s definition of woman-owned businesses, see Chapter 1 of the disparity study report.

<sup>3</sup> The study team offered business representatives the option of completing surveys online or via fax or e-mail if they preferred not to complete surveys via telephone.

**Information collected in availability surveys.** The study team successfully conducted telephone surveys with the owners or managers of 2,734 business establishments. Survey questions addressed many topics about each organization including:

- Status as a private business (as opposed to a public agency or nonprofit organization);
- Status as a subsidiary or branch of another company;
- Primary lines of work;
- Interest in performing work for Metro or other local government agencies;
- Interest in performing work as a prime contractor or as a subcontractor;
- Largest prime contract or subcontract bid on or performed in the previous five years;
- Year of establishment; and
- Race/ethnicity and gender of ownership.

Information about businesses that completed surveys was entered into an availability database that served as a basis for the availability analysis.

**Considering businesses as potentially available.** BBC considered businesses to be potentially available for Metro's FTA-funded prime contracts or subcontracts if they reported possessing *all* of the following characteristics:

- a. Being a private business (as opposed to a nonprofit organization);
- b. Having performed work relevant to Metro FTA-funded contracting;
- c. Having bid on or performed public or private sector prime contracts or subcontracts in the past five years; and
- d. Being interested in work for Metro.<sup>4</sup>

BBC also considered the following information to determine if businesses were potentially available for specific contracts that Metro awarded during the study period:

- e. The largest contract bid on or performed in the past (to inform an assessment of *relative capacity*); and
- f. The year the business was established.

**Steps to calculating availability.** As part of the availability analysis, BBC collected and analyzed relevant information to develop dollar-weighted availability estimates to help Metro set its overall DBE goal. Dollar-weighted availability estimates represent the percentage of contracting dollars that potential DBEs would be expected to receive based on their availability for specific types and sizes of Metro's FTA-funded prime contracts and subcontracts. Only a subset of businesses in the availability database was considered potentially available for any

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<sup>4</sup> That information was gathered separately for prime contract and subcontract work.

particular prime contract or subcontract (referred to collectively as *contract elements*). BBC identified the specific characteristics of each prime contract and subcontract that the study team examined as part of the disparity study and then, for the purposes of helping Metro establish a base figure, took the following steps to calculate the availability of potential DBEs for each contract element:

1. For each contract element, the study team identified businesses in the availability database that reported that they:
  - Are interested in performing transportation-related work in that particular role for that specific type of work (based on 8-digit D&B industry codes) for Metro;
  - Have bid on or performed work of that size; and
  - Were in business in the year that Metro awarded the contract.
2. The study team then counted the number of potential DBEs (by race/ethnicity and gender) relative to all businesses in the availability database that met the criteria specified in Step 1.
3. The study team translated the numeric availability of potential DBEs for the contract element into percentage availability.

BBC repeated those steps for each FTA-funded contract element that the study team examined as part of the disparity study. BBC multiplied the percentage availability for each contract element by the dollars associated with the contract element, added results across all contract elements, and divided by the total dollars for all contract elements. The result was a dollar-weighted estimate of the overall availability of potential DBEs and estimates of availability by each relevant racial/ethnic and gender group. Figure 1 presents detailed information about the base figure for Metro's overall DBE goal:

- Column (a) presents the groups of potential DBEs that BBC considered as part of the base figure analysis;
- Column (b) presents the availability percentage for each group for FTA-funded *construction* contract elements;
- Column (c) presents the availability percentage for each group for FTA-funded *professional services* contract elements;
- Column (d) presents the availability percentage for each group for FTA-funded *goods and other services* contract elements; and
- Column (e) presents the availability percentage for each group for *all* FTA-funded contract elements considered together (i.e., construction; professional services; and goods and other services contracts).

As presented at the bottom of column (e), the availability analysis shows that potential DBEs could be considered available for 27.0 percent of Metro's FTA-funded prime contracts and subcontracts. Thus, Metro considers **27.0 percent as its base figure**. As presented in the last row of Figure 1, the overall base figure reflects a weight of 0.72 for construction contracts; 0.11 for professional services contracts; and 0.17 for goods and other services contracts based on the

volume of dollars of FTA-funded contracts that Metro awarded in each industry during the study period.

**Figure 1.**  
**Availability components of the base figure**  
**(based on availability of potential DBEs for FTA-funded transportation contracts)**

a. Potential DBEs	Availability Percentage			
	b. Construction	c. Professional Services	d. Goods and Other Services	e. Weighted Average
Black American owned	6.6 %	3.8 %	8.2 %	6.6 %
Asian Pacific American owned	1.3	3.0	1.6	1.5
Subcontinent Asian American owned	0.4	0.6	0.9	0.5
Hispanic American owned	14.4	3.6	23.1	14.7
Native American owned	0.1	0.0	2.5	0.5
White woman owned	0.6	2.8	14.5	3.2
<b>Total potential DBEs</b>	<b>23.3 %</b>	<b>13.7 %</b>	<b>50.9 %</b>	<b>27.0 %</b>
<b>Industry weight</b>	<b>72 %</b>	<b>11 %</b>	<b>17 %</b>	

Note: Numbers rounded to nearest tenth of 1 percent. Numbers may not add to totals due to rounding.

Source: 2017 LA Metro Disparity Study.

## Step 2. Determining if an Adjustment is Needed – 49 CFR Section 26.45(d)

After establishing the base figure, Metro considered relevant information to determine whether any adjustment was needed to the base figure as part of determining the overall DBE goal and to make it as precise as possible. In considering an adjustment to the base figure, Metro evaluated information about:

- Current capacity of DBEs to perform work on USDOT-assisted contracting as measured by the volume of work DBEs have performed in recent years;
- Information related to employment, self-employment, education, training, and unions;
- Any disparities in the ability of DBEs to get financing, bonding, and insurance; and
- Other relevant data.<sup>5</sup>

**Current capacity of DBEs to perform work on USDOT-assisted contracting as measured by the volume of work DBEs have performed in recent years.** USDOT’s “Tips for Goal-Setting” suggests that agencies should examine data on past DBE participation in their USDOT-funded contracts in recent years. USDOT further suggests that agencies should choose the median level of annual DBE participation for those years as the measure of past participation:

*Your goal setting process will be more accurate if you use the median (instead of the average or mean) of your past participation to make your adjustment because*

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<sup>5</sup> 49 CFR Section 26.45.

*the process of determining the median excludes all outlier (abnormally high or abnormally low) past participation percentages.<sup>6</sup>*

Figure 2 presents past DBE participation based on Metro’s Uniform Reports of DBE Awards or Commitments and Payments as reported to FTA. According to the Uniform Reports, median DBE participation in FTA-funded contracts from FFYs 2011 through 2015 was 3.7 percent.

**Figure 2.**  
**Past certified DBE participation in FTA-funded contracts, FFY 2011-2015**

FFY	DBE Attainment	Annual DBE Goal	Difference
2011	3.70 %	8.00 %	-4.30 %
2012	8.37	8.00	0.37
2013	0.51	26.00	-25.49
2014	22.41	26.00	-3.59
2015	2.23 %	26.00 %	-23.77 %

Source:  
Awards reported on Metro’s Uniform Reports of DBE Awards/Commitments and Payments.

The information about past DBE participation supports a downward adjustment to Metro’s base figure. If Metro were to use the approach that USDOT outlined in “Tips for Goals Setting” based on Uniform Reports of DBE Awards/Commitments and Payments, the overall goal would be the average of the 27.0 percent base figure and the 3.7 percent median past DBE participation, yielding a potential overall DBE goal of 15.4 percent. BBC’s analysis of DBE participation in FTA-funded contracts in the Metro Disparity Study indicated DBE participation (15.1%) that is also lower than the base figure. If Metro were to adjust its base figure based on the DBE participation information from the disparity study, the overall goal would be the average of the 27.0 percent base figure and the 15.1 percent DBE participation, yielding a potential overall DBE goal of 21.1 percent.

**Any disparities in the ability of DBEs to get financing, bonding, and insurance.** BBC’s analysis of access to financing, bonding, and insurance also revealed quantitative and qualitative evidence that minorities; women; and minority- and woman-owned businesses in Los Angeles County do not have the same access to those business inputs as non-Hispanic white men and businesses owned by non-Hispanic white men (for details, see Chapter 3 and Appendices C and D of the disparity study report). Any barriers to obtaining financing, bonding, and insurance might limit opportunities for minorities and women to successfully form and operate businesses in the Los Angeles County contracting marketplace. Any barriers that minority- and woman-owned businesses face in obtaining financing, bonding, and insurance would place those businesses at a disadvantage in competing for Metro’s FTA-funded prime contracts and subcontracts. Thus, information from the disparity study about financing, bonding, and insurance supports an upward adjustment to Metro’s base figure.

**Information related to employment, self-employment, education, training, and unions.** BBC used regression analyses to investigate whether race/ethnicity or gender affects

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<sup>6</sup> Section III (A)(5)(a) in USDOT’s “Tips for Goal-Setting in the Federal Disadvantaged Enterprise (DBE) Program.” <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

rates of self-employment among workers in the local transportation-related construction; professional services; and goods and other services industries. The regression analyses allowed BBC to examine those effects while statistically controlling for various race- and gender-neutral characteristics of workers including education and age (for details, see Chapter 3 and Appendix C of the disparity study report). The regression analyses revealed that, even after accounting for various race- and gender-neutral characteristics:

- Black Americans, Hispanic Americans, and women are significantly less likely than non-Hispanic whites and men to own construction businesses;
- Black Americans and women are significantly less likely than non-Hispanic whites and men to own professional services businesses; and
- Black Americans, Asian Pacific Americans, Subcontinent Asian Americans, and Hispanic Americans are significantly less likely than non-Hispanic whites and men to own goods and other services businesses.

Thus, information about business ownership also supports an upward adjustment to Metro's base figure.

BBC analyzed the specific impact that barriers to self-employment have on the base figure. BBC estimated the availability of potential DBEs if minorities and women owned businesses at the same rate as non-Hispanic white men who shared similar race- and gender-neutral characteristics. BBC took the following steps to complete the analysis:

1. BBC made adjustments to availability percentages for construction; professional services; and goods and other services contracts based on observed disparities in self-employment rates for minorities and women. BBC only made adjustments for those groups that exhibited statistically significant disparities in self-employment rates compared to non-Hispanic whites and men.
2. BBC then combined adjusted availability percentages for construction contracts; professional services contracts; and goods and other services contracts in a dollar-weighted fashion.

Figure 3 presents the results of the analysis, which is referred to as a *but for* analysis, because it estimates the availability of potential DBEs but for the continuing effects of past race- and gender-based discrimination. The rows and columns of Figure 3 present the following information from the *but for* analysis:



**Figure 3.**  
**Adjustment to base figure to account for disparities in self-employment rates**

Industry and group	a. Current availability	b. Disparity index for business ownership	c. Availability after initial adjustment*	d. Availability after scaling to 100%	e. Components of base figure**
<b>Construction</b>					
(1) Black American	6.6 %	70	9.5 %	9.0 %	
(2) Asian Pacific American	1.3	n/a	1.3	1.2	
(3) Subcontinent Asian American	0.4	n/a	0.4	0.4	
(4) Hispanic American	14.4	88	16.3	15.5	
(5) Native American	0.1	n/a	0.1	0.1	
(6) White woman	<u>0.6</u>	<u>44</u>	<u>1.4</u>	<u>1.3</u>	
(7) Potential DBEs	23.3 %	n/a	28.9 %	27.4 %	19.6 %
(8) All other businesses ***	<u>76.7</u>	<u>n/a</u>	<u>76.7</u>	<u>72.6</u>	
(9) <b>Total</b>	<b>100.0 %</b>	n/a	<b>105.6 %</b>	<b>100.0 %</b>	
<b>Professional services</b>					
(10) Black American	3.8 %	57	6.6 %	6.4 %	
(11) Asian Pacific American	3.0	n/a	3.0	2.9	
(12) Subcontinent Asian American	0.6	n/a	0.6	0.5	
(13) Hispanic American	3.6	n/a	3.6	3.5	
(14) Native American	0.0	n/a	0.0	0.0	
(15) White woman	<u>2.8</u>	<u>87</u>	<u>3.2</u>	<u>3.1</u>	
(16) Potential DBEs	13.7 %	n/a	17.0 %	16.5 %	1.8 %
(17) All other businesses	<u>86.3</u>	<u>n/a</u>	<u>86.3</u>	<u>83.5</u>	
(18) <b>Total</b>	<b>100.0 %</b>	n/a	<b>103.3 %</b>	<b>100.0 %</b>	
<b>Goods and other services</b>					
(19) Black American	8.2 %	35	23.5 %	18.8 %	
(20) Asian Pacific American	1.6	88	1.8	1.4	
(21) Subcontinent Asian American	0.9	53	1.7	1.4	
(22) Hispanic American	23.1	73	31.7	25.4	
(23) Native American	2.5	n/a	2.5	2.0	
(24) White woman	<u>14.5</u>	<u>n/a</u>	<u>14.5</u>	<u>11.6</u>	
(25) Potential DBEs	50.9 %	n/a	75.7 %	60.7 %	10.4 %
(26) All other businesses	<u>49.1</u>	<u>n/a</u>	<u>49.1</u>	<u>39.3</u>	
(27) <b>Total</b>	<b>100.0 %</b>	n/a	<b>124.8 %</b>	<b>100.0 %</b>	
(28) <b>TOTAL</b>	<b>27.0 %</b>	n/a		n/a	<b>31.9 %</b>

Note: Numbers rounded to nearest tenth of 1%. Numbers may not add to totals due to rounding.

\* Initial adjustment is calculated as current availability divided by the disparity index.

\*\* Components of potential step-2 adjustment were calculated as the value after adjustment and scaling to 100 percent, multiplied by the percentage of total FTA-funded contract dollars in each industry (construction = 0.72, professional services = 0.11, and goods and other services= 0.17).

\*\*\* All other businesses included majority-owned businesses and minority- and woman-owned businesses that were not potential DBEs.

Source: BBC Research & Consulting and Metro data.

**a. Current availability.** Column (a) presents the current availability of potential DBEs by group and by industry. Each row presents the availability for each group. Before any adjustment, the availability of potential DBEs for Metro's FTA-funded construction; professional

services; and goods and other services contracts that the agency awarded during the study period is 27.0 percent, as shown in row (28) of column (a).

- b. Disparity indices for self-employment.** For each group that is significantly less likely than non-Hispanic white men to own construction; professional services; or goods and other services businesses, BBC estimated business ownership rates if those groups owned businesses at the same rate as non-Hispanic white men who share the same race- and gender-neutral characteristics. BBC then calculated a self-employment disparity index for each group by dividing the observed self-employment rate by the estimated self-employment rate and then multiplying the result by 100. Values of less than 100 indicate that, in reality, the group is less likely to own businesses than what would be expected for non-Hispanic white men who share the same race- and gender-neutral characteristics.

To simulate business ownership rates if minorities and women owned businesses at the same rate as non-Hispanic white men in a particular industry, BBC took the following steps: 1) BBC performed a probit regression analysis predicting business ownership including only workers in the dataset who were non-Hispanic white men; and 2) BBC then used the coefficients from that model and the mean personal characteristics of individual minority groups (or non-Hispanic white women) working in the industry (i.e., personal characteristics, indicators of educational attainment, and indicators of personal financial resources and constraints) to simulate business ownership for each group that was significantly less likely than non-Hispanic white men to own construction; professional services; or goods and other services businesses.

BBC then calculated a business ownership disparity index for each group by dividing the observed business ownership rate by the simulated business ownership rate and then multiplying the result by 100. Values of less than 100 indicate that, in reality, the group is less likely to own businesses than what would be expected for non-Hispanic white men who share similar personal characteristics. Column (b) presents disparity indices related to self-employment for the different racial/ethnic and gender groups. For example, as shown in row (1) of column (b), Black Americans own construction businesses at 70 percent of the rate that one might expect based on the estimated self-employment rates of non-Hispanic white men who share similar personal characteristics.

- c. Availability after initial adjustment.** Column (c) presents availability estimates by group and by industry after initially adjusting for statistically significant disparities in self-employment rates. BBC calculated those estimates by dividing the current availability in column (a) by the disparity index for self-employment in column (b) and then multiplying by 100. Note that BBC only made adjustments for those groups that are significantly less likely than similarly-situated non-Hispanic white men to own businesses.
- d. Availability after scaling to 100 percent.** Column (d) shows adjusted availability estimates that BBC rescaled so that the sum of the availability estimates equaled 100 percent for each industry. BBC rescaled the adjusted availability estimates by taking each group's adjusted availability estimate in column (c) and dividing it by the sum of availability estimates shown under "Total businesses" in column (c)—in row (9) for construction, in row (18) for professional services, and in row (27) for goods and other services—and multiplying by 100. For example, the rescaled adjusted availability estimate for Black American-owned

construction businesses shown in row (1) of column (d) was calculated in the following way:  $(9.5 \% \div 105.6\%) \times 100 = 9.0\%$ .

- e. **Components of goal.** Column (e) shows the component of the total base figure attributed to the adjusted minority- and woman-owned availability for each industry. BBC calculated each component by taking the total availability estimate shown under “Potential DBEs” in column (d)—in row (7) for construction, in row (16) for professional services, and in row (25) for goods and other services—and multiplying it by the proportion of total FTA-funded contract dollars for which each industry accounts (i.e., 0.72 for construction, 0.11 for professional services, and 0.17 for goods and other services). That is, BBC used the 27.4 percent shown in row (7) of column (d) for construction and multiplied it by 0.72 for a result of 19.6 percent (see row (7) of column (e)). The values in column (e) were then summed to equal the base figure adjusted for barriers in business ownership—31.9 percent—as shown in the bottom row of column (e).

**Other relevant data.** The Federal DBE Program suggests that federal funding recipients also examine “other factors” when determining whether to make any adjustments to their base figures.<sup>7</sup>

**Success of businesses.** There is quantitative evidence that certain groups of minority- and woman-owned businesses are less successful than businesses owned by non-Hispanic white men and face greater barriers in the marketplace, even after accounting for race- and gender-neutral factors (for details, see Chapter 3 and Appendix C of the disparity study report). There is also qualitative evidence of barriers to the success of minority- and woman-owned businesses. Some of that information suggests that discrimination on the basis of race/ethnicity and gender adversely affects minority- and woman-owned businesses in the local contracting industry (for details, see Appendix D of the disparity study report). Thus, information about the success of businesses also supports an upward adjustment to Metro’s base figure.

**Evidence from disparity studies conducted within the jurisdiction.** USDOT suggests that federal fund recipients also examine evidence from disparity studies conducted within their jurisdictions when determining whether to make adjustments to their base figures. There have been several other disparity studies conducted for state agencies in California in recent years (e.g., San Francisco Bay Area Rapid Transit District (BART), California Department of Transportation (Caltrans), San Diego Association of Governments (SANDAG)). However, those agencies’ contracts differ substantially in terms of size and type from the FTA-funded contracts that Metro awarded during the study period. In the case of BART, the methodology that was used is substantially more limited than the methodology that BBC used to conduct the 2017 LA Metro Disparity Study. Therefore, the results from other disparity studies are of limited use to Metro in determining whether to make an adjustment to its base figure.

**Adjustment.** Metro considered all of the above information in considering whether to make an adjustment to the base figure. Some of the data considered suggested an upward adjustment to the base figure while other data suggested a downward adjustment. Based on the evidence

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<sup>7</sup> 49 CFR Section 26.45.

above, Metro determined that no adjustment to the base figure was warranted. Metro proposes an **overall DBE goal of 27.0%** for FFYs 2019-2021.

### **Race-/Gender-Neutral and Race/Gender-Conscious Split – 49 CFR Section 26.51 (c)**

In accordance with federal regulations and USDOT guidance, Metro will attempt to meet the maximum feasible portion of its proposed 27.0 percent overall DBE goal through the use of race- and gender-neutral measures. Metro used a broad range of race- and gender-neutral measures to encourage the participation of all small businesses — including DBEs — in its FTA-funded contracts in FFYs 2011-2015 and plans on continuing the use of those measures in the future. Metro’s race- and gender-neutral efforts can be classified into four categories:

- Advocacy and outreach efforts;
- Technical assistance programs;
- Capital, bonding, and insurance assistance;
- Prompt payment policies; and
- Small business preference/set-aside.

**Advocacy and outreach efforts.** Metro participates in various advocacy and outreach efforts including hosting DBE workshops and using communications that are targeted specifically to disadvantaged businesses.

**Communications.** Metro communicates with DBEs through email, its Vendor Portal, and its DBE newsletter. Metro uses its Vendor Portal and its newsletter to announce contracting opportunities, special events, policy changes, and new DBE program measures.

**Networking events and workshops.** Metro hosts various events and workshops for DBEs. Some of those events include Meet the Prime, Meet the Project Managers and Buyers, Salute to Small Business Celebration, and other signature outreach events.

**Technical assistance programs.** Metro provides an online business toolkit which includes web tutorials for DBEs that cover topics that include how to register as a vendor, the process of bidding on contracts with Metro, contract compliance reporting, certification, and more weekly webinars.

**Capital, bonding, and insurance.** Metro established a Commercial Insurance Broker Panel which assists businesses that are lacking the required insurance coverages. This panel is available to businesses and contractors through the Transportation Business Advisory Council (TBAC), small business outreach events, and Metro’s small business orientation classes.

On March 1st, 2018, Metro launched a one-year pilot Contractor Development and Bonding Program (CDBP). The CDBP will assist Metro-certified Small Business Enterprise (SBE), Disadvantaged Business Enterprise (DBE) and Disabled Veteran Business Enterprise (DVBE) firms secure sufficient bonding to work on Metro construction projects. The CDBP will provide

contractors and subcontractors that are looking to work on Metro projects, but are unable to secure the necessary bonding required to bid on public works projects, an avenue to secure the necessary bonding, thus increasing the participation of small/disadvantaged businesses on Metro projects.

A firm's participation in the CDBP will not only include assistance with obtaining or increasing bonding capacity and collateral support for bid, performance and payment bonds, but will include technical support, education, training, and contractor support. The maximum bond guarantee is up to \$250,000, or 40% of the value of the contract, whichever is less. The CDBP is managed by Metro's Diversity and Economic Opportunity Department and administered by Merriwether & Williams Insurance Services (MWIS).

**Prompt payment policies.** Metro has policies in place to help ensure prompt payment to subcontractors. Prime contractors are required to pay their subcontractors within 7 days after receipt of payment from Metro.

**Small business enterprise (SBE) program.** In 1997, Metro started their SBE program to comply with California's Proposition 209, which prohibits explicit consideration of race or gender in the award of state- and locally-funded contracts.

**Small Business Prime set-aside program.** Metro's Small Business Prime set-aside program started in 2013 and enables small businesses to compete only against other small businesses for projects up to \$5 million, as well as for informal projects under \$100,000. Only Metro-certified SBEs can participate in the program.

For additional details about Metro's race- and gender-neutral programs, see Figure 4, below.

**Figure 4.**  
**Examples of Metro race- and gender-neutral programs**

Type	Program
Advocacy and outreach	Metro Vendor Portal is Metro's central web resource for small businesses to learn to work with Metro easily and efficiently. The portal gives vendors access to registering to work with Metro and allows vendors to sign up to automatically receive project RFPs/solicitations via email.
Advocacy and outreach	Metro Connect is Metro's small business resource that provides vendors with informative Tool Kit, certification information, networking events and workshops, and more. Vendors can also sign up for the MetroConnection newsletter which highlights SBE and DBE businesses, updates vendors on Metro events and bid opportunities, notifies vendor of policy changes, and other legislative news.
Advocacy and outreach	Metro hosts several networking events and workshops including: <ul style="list-style-type: none"> <li>• <i>How to Do Business with Metro</i> which is a monthly workshop on qualification requirements and bidding processes;</li> <li>• The Transportation Business Advisory Council (TBAC) meets monthly at Metro headquarters and includes hosting guest speakers related to current and future contracting opportunities, and contracting-related legislation updates;</li> <li>• <i>Meet the Primes</i> is an annual networking event to connect small businesses with prime contractors;</li> <li>• <i>Meet the Project Managers and Buyers</i> is an annual networking event for small business owners to meet Metro Program Managers and staff; and</li> <li>• <i>Salute to Small Business Celebration</i>.</li> </ul>
Advocacy and outreach	Metro 12-Month Look Ahead project list on the Vendor Portal identifies current and future bidding opportunities, includes info on type of work, general scope, estimated cost/range, industry specific needs, and DBE and SBE goals.
Capital, Bonding, and Insurance	<p>Metro Commercial Insurance Broker Panel was established in 2009 to assist businesses lacking required insurance coverage. The panel provides proposals and insurance placement for contractors in order to assist them in meeting Metro's risk management requirements. The broker panel is disseminated to small businesses through the Transportation Business Advisory Council (TBAC), small business outreach events, Metro's small business orientation classes, and published on Metro's website.</p> <p>On March 1st, 2018, Metro launched a one-year pilot Contractor Development and Bonding Program (CDBP). The CDBP will assist Metro-certified Small Business Enterprise (SBE), Disadvantaged Business Enterprise (DBE) and Disabled Veteran Business Enterprise (DVBE) firms secure sufficient bonding to work on Metro construction projects. The CDBP will provide contractors and subcontractors that are looking to work on Metro projects, but are unable to secure the necessary bonding required to bid on public works projects, an avenue to secure the necessary bonding, thus increasing the participation of small/disadvantaged businesses on Metro projects.</p> <p>A firm's participation in the CDBP will not only include assistance with obtaining or increasing bonding capacity and collateral support for bid, performance and payment bonds, but will include technical support, education, training, and contractor support. The maximum bond guarantee is up to \$250,000, or 40% of the value of the contract, whichever is less. The CDPB is managed by Metro's Diversity and Economic Opportunity Department and administered by Merriwether &amp; Williams Insurance Services (MWIS).</p>
Technical Assistance	Metro's Business Toolkit contains pre-recorded web tutorials on Metro vendor registration and the process of bidding on and fulfilling contracts with Metro. It also contains weekly live webinars for contractor and vendor training (i.e., contract compliance reporting, certification, utilization plan completion).
Mentor- Protégé	Contracting Outreach and Mentoring Plan (COMP): Proposers bidding on contracts that are greater than \$25 million are required to submit proposals with an innovative DBE Contracting Outreach and Mentoring Plan (COMP). The Proposers' COMP approach will be evaluated as one element of the RFP evaluation criteria, and Metro will review/approve each COMP submittal for the awarded contract. The plans should include the proposers plan for mentoring subcontractors. The goal is for mentors to assist in the advancement of participating protégés, including measurable plans to grow and compete on a larger scale. Mentor Protégés are identified by Proposers/Bidders, not by Metro.

Metro considered the race- and gender-neutral program measures that it currently implements and its DBE participation as the result of those measures during FFYs 2011 through 2015. DBE participation as the result of race- and gender-neutral efforts for those five years was 13.8 percent (for details, see Chapter 10 and Appendix F of the disparity study report). Based on that information, Metro projects that it will be able to meet 13.8 percent of its proposed DBE goal for FFYs 2019-2021 through the use of race- and gender-neutral measures. Metro projects that it will meet the remainder of its proposed 27.0% overall DBE goal—13.2%—through the use of race- and gender-conscious measures (i.e., DBE contract goals). Figure 5 presents Metro’s proposed race- and gender-neutral and race- and gender-conscious split for its overall DBE goal.

**Figure 5.**  
**Race- and gender-neutral and**  
**race- and gender-conscious split**

Goal portion	Percent Allocation
Race- and gender-neutral	13.8 %
<u>Race- and gender-conscious</u>	<u>13.2</u>
<b>Overall DBE goal</b>	<b>27.0 %</b>

**Necessity of race conscious measures.** Metro used race- and gender-conscious DBE subcontracting goals on many contracts during the study period to encourage the participation of disadvantaged business enterprises. The 2017 LA Metro disparity study compared disparity analysis results between contracts that Metro awarded with the use of DBE subcontracting goals (goals contracts) and contracts that Metro awarded without the use of DBE subcontracting goals (no-goals contracts). Examining participation in no-goals contracts provides useful information about outcomes for minority-owned businesses and woman-owned businesses on contracts that Metro awarded in a race-neutral and gender-neutral environment and whether there is evidence that certain groups face any discrimination or barriers as part of Metro’s contracting.<sup>8, 9, 10</sup>

Figure 6 presents disparity analysis results separately for goals contracts and no-goals contracts. As shown in Figure 6, overall, minority-owned businesses and woman-owned businesses showed better outcomes on goals contracts than on no-goals contracts. Whereas minority-owned businesses and woman-owned businesses showed a substantial disparity on no-goals contracts (disparity index of 53), they did not show a substantial disparity on goals contracts (disparity index of 96). Results for individual groups indicated that:

- Only Black American-owned business (disparity index of 64) showed substantial disparities on goals contracts.
- All groups except Subcontinent Asian American-owned businesses showed substantial disparities on no-goals contracts.

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<sup>8</sup> Associated General Contractors of America, San Diego Chapter, Inc. v. California Department of Transportation, et al, 713 F.3d 1187, 1192, 1196 (9th Cir. 2013).

<sup>9</sup> Concrete Works of Colorado, Inc. v. City and County of Denver, 321 F.3d 950, 985, 987-88 (10<sup>th</sup> Cir. 2003), cert. denied, 540 U.S. 1027, 124 S. Ct. 556 (2003).

<sup>10</sup> H. B. Rowe Co., Inc. v. W. Lyndo Tippet, NCDOT, et al., 615 F.3d 233,246 (4th Cir. 2010).

**Figure 6.**  
**Disparity indices for goals**  
**and no-goals contracts**

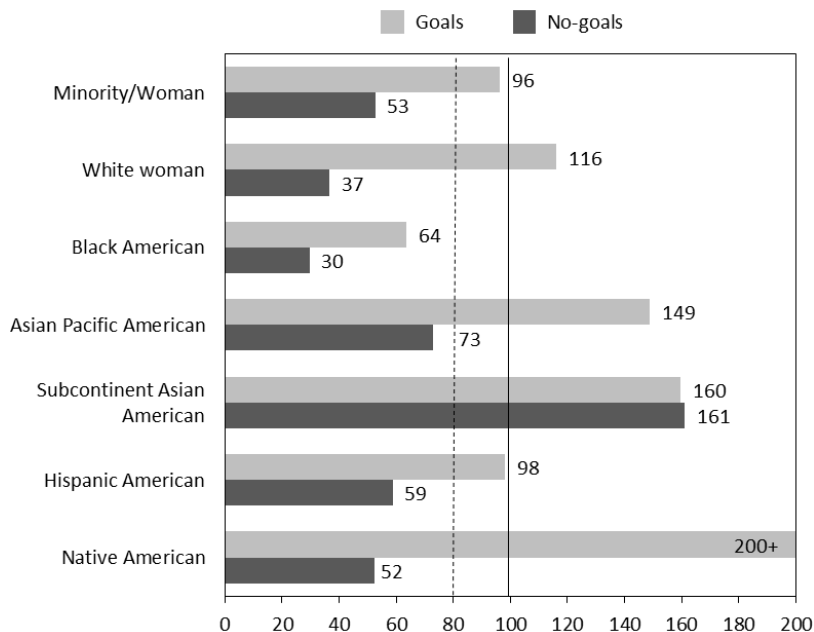
Note:

The study team analyzed 5,293 contract elements to which subcontracting goals applied. The study team analyzed 6,896 contract elements to which no subcontracting goals applied.

For more detail, see Figures F-14 and F-15 in Appendix F of the 2017 LA Metro Disparity Study.

Source:

2017 LA Metro Disparity Study.



The results presented in Figure 6 indicate that Metro’s use of DBE goals is effective in encouraging the participation of minority-owned businesses and woman-owned businesses in its contracts. Moreover, those results indicate that when Metro does not use race-conscious and gender-conscious measures, most relevant business groups suffer from substantial underutilization in Metro contracting.

## Waiver Request

Several seminal court cases have indicated that, in order to implement the Federal DBE Program in a narrowly tailored manner, agencies should limit the use of race- and gender-conscious program measures to those groups “that have actually suffered discrimination” within their transportation contracting industries.<sup>11, 12</sup> Moreover, USDOT official guidance states that “even when discrimination is present in a state, a program is narrowly tailored only if its application is limited to those specific groups that have actually suffered discrimination or its effects.”<sup>13</sup> As provided in 49 CFR Part 26, such guidance is “valid, and express[es] the official positions and views of the Department of Transportation ... .”<sup>14</sup>

Results from the 2017 LA Metro Disparity Study indicated that most relevant business groups exhibited *substantial disparities*—that is, disparities whereby participation was less than 80 percent of availability—on key contract sets that the study team examined. However,

<sup>11</sup> *AGC, San Diego Chapter v. California DOT*, 713 F.3d 1187, 1191, 1199, 2013 WL 1607239 (9th Cir. April 16, 2013)

<sup>12</sup> *Western States Paving Co. v. Washington State DOT*, 407 F.3d 983, 997-98 (9th Cir. 2005), *cert. denied*, 546 U.S. 1170 (2006)

<sup>13</sup> United States Department of Transportation Official Questions and Answers (Q&A’s) Disadvantaged Business Enterprise Program Regulation (49 CFR 26), <http://www.dot.gov/osdbu/disadvantaged-business-enterprise/official-questions-and-answers-26>

<sup>14</sup> 49 CFR Section 26.9



Subcontract Asian American-owned businesses did not exhibit substantial disparities on key contract sets, including on no-goals contracts as presented above.

Metro intends to request a waiver that will allow the agency to limit its use of race- and gender-conscious measures (i.e., DBE contract goals) to those DBE groups for which compelling statistical evidence of discrimination—that is, substantial disparities between participation and availability on Metro’s transportation-related contracts—exists in the relevant geographic market area. Based on results from the 2017 Metro Disparity Study, Metro will request to limit its use of DBE contract goals to the following business groups: Black American-owned DBEs, Hispanic American-owned DBEs, Native American-owned DBEs, Asian Pacific American-owned DBEs, and woman-owned DBEs. Metro would not consider Subcontinent Asian American-owned DBEs as eligible for DBE contract goals at this time.

Once Metro receives approval for its waiver request, Metro will notify the contracting community of any change to the implementation of contract-specific goals. Metro will closely monitor the participation of Subcontinent Asian American-owned businesses in its transportation-related contracts. If the participation of Subcontinent Asian American-owned businesses decreases substantially, Metro will act immediately to withdraw the waiver.

### **Public Participation – 49 CFR Section 26.45(g)**

Public participation is a key component of Metro’s process for setting its overall DBE goal. Metro made information about the proposed goal available to the public through their website and had a 30-day comment period from May 11, 2018 through June 11, 2018. Additionally, Metro consulted with TBAC regarding the proposed goal on May 3, 2018 and will hold public hearings on May 17, 2018 and June 6, 2018 at Metro Headquarters. Comments on the goal methodology can also be submitted in writing by email [Goalcomment@metro.net](mailto:Goalcomment@metro.net); or by US mail or fax to: Los Angeles Metro, Diversity & Economic Opportunity Department, Mail Stop: 99-8-4, One Gateway Plaza, Los Angeles, CA 90012, Fax: (213) 92-2268.



# OVERALL DBE GOAL

*METRO BOARD  
JUNE 21, 2018*



**Metro**

## WHO MUST HAVE A DBE PROGRAM?

As a USDOT fund recipient, Metro is required to implement the DBE program. Every three years, Metro must set their overall goal for DBE participation.

Metro's proposed overall goal triennial period

- Federal Fiscal Year 2019 – 2021
- October 1, 2018 – September 30, 2021



**Metro**

# SETTING OVERALL DBE GOAL

## BASE FIGURE

- Information from Disparity Study
- Availability analysis
- Potential DBEs

## STEP 2 ADJUSTMENT

- Current DBE capacity
- Marketplace barriers
- Other relevant factors



**Metro**

# CALCULATING THE BASE FIGURE

Base figure is calculated using a dollar-weighted calculation by industry based on contracts awarded by Metro during the disparity study period (January 1, 2010 – December 31, 2015).

Potential DBEs	Availability Percentage			Weighted Average
	Construction	Professional Services	Goods and Other Services	
Black American owned	6.6 %	3.8 %	8.2 %	6.6 %
Asian Pacific American owned	1.3	3.0	1.6	1.5
Subcontinent Asian American owned	0.4	0.6	0.9	0.5
Hispanic American owned	14.4	3.6	23.1	14.7
Native American owned	0.1	0.0	2.5	0.5
White woman owned	0.6	2.8	14.5	3.2
<b>Total potential DBEs</b>	<b>23.3 %</b>	<b>13.7 %</b>	<b>50.9 %</b>	<b>27.0 %</b>
<b>Industry weight</b>	<b>72 %</b>	<b>11 %</b>	<b>17 %</b>	

## CALCULATING THE BASE FIGURE

Anticipated projects for fiscal years 2019-2021 in construction, professional services, and goods and other services are similar to the projects studied as part of the 2017 LA Metro Disparity Study. Metro determined that no adjustment to the base figure was warranted.



## RACE-/GENDER-CONSCIOUS MEASURES

### Substantial disparities\*

- African American-owned businesses
- Asian-Pacific American-owned businesses
- Hispanic American-owned businesses
- Native American-owned businesses
- White women-owned businesses

### No substantial disparities\*

- Subcontinent Asian American-owned businesses\*\*



**Metro**

\*Based on disparity analysis

\*\*Subcontinent Asian Americans are persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka

## WAIVER FOR SUBCONTINENT ASIAN AMERICAN-OWNED BUSINESSES

Ineligible for race-/gender-conscious measures  
(contract goals)

But:

- Still included in DBE Program
- Utilization still counts toward overall DBE goal
- Still eligible for neutral program measures
- Minority women-owned businesses still eligible
- Metro will monitor utilization of all DBE groups

Medium Size Business Enterprise Program



**Metro**





Thank you



Metro®



**Board Report**

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**File #:** 2018-0243, **File Type:** Oral Report / Presentation

**Agenda Number:** 20.

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**EXECUTIVE MANAGEMENT COMMITTEE  
JUNE 20, 2018**

**SUBJECT: CHIEF COMMUNICATIONS OFFICER QUARTERLY  
REPORT**

**ACTION: RECEIVE ORAL REPORT**

**RECOMMENDATION**

RECEIVE quarterly report by Chief Communications Officer.

**ATTACHMENTS**

Attachment A - Quarterly Report Presentation

Prepared by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



# Chief Communications Officer Report

Executive  
Management  
Committee

June 13, 2018





## NextGen Youth Engagement with Da Vinci Students







# 23 Special Events – Regional Connector Halfway Event





# LAFC Partnership – Take Metro to the Games









# U-Pass Growing to 22 Schools by Fall '18





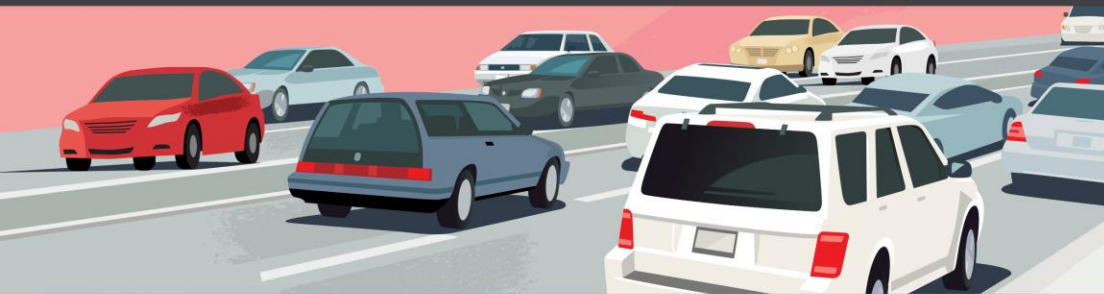


metro.net



# YOUR TRANSPORTATION TAXES AT WORK

LA METRO'S SB 1 APPLICATION SUMMARY



# SB1 Communications Plan

- Developing materials
- Collaborating with Caltrans, Metrolink and local partners
- Project milestone events

## MAJOR SB 1 PROGRAMS



Highway Improvements  
*\$1.5 billion/year*



Local Street and Road Improvements  
*\$1.5 billion/year*



Public Transit Investments  
*\$750 million/year*



Freight Capacity Expansion  
*\$300 million/year*



Congested Corridor Solutions  
*\$200 million/year*



Local Partnership Program  
*\$200 million/year*







# What's Coming Up?

- New ridership campaign
- New Blue outreach
- Positioning of Crenshaw
- LA Tourism partnership
- P3 education
- Next launch of Metro Manners etiquette campaign
  - Selected as APTA AdWheel Grand Award winner





**Thank you.  
Questions?**