

**Board Report**

File #: 2021-0501, **File Type:** Motion / Motion Response**Agenda Number:** 41.

**REGULAR BOARD MEETING
JULY 22, 2021****Motion by:****DIRECTORS SOLIS, BUTTS, NAJARIAN, DUPONT-WALKER, AND SANDOVAL****Developing a Business Utilization Scorecard to Encourage DBE, SBE and DVBE Participation**

Small businesses are the lifeblood of our economy, making up over 90% of businesses in Los Angeles County. Over the last year, our small business community has seen disproportionate impacts caused by the pandemic. The County has lost more than 400,000 jobs and saw 7,500 small businesses permanently close as a result of local, state and federal public health orders. As the County begins recovering from the pandemic, Metro can utilize its resources to re-invigorate the business community.

During any contract solicitation preparation process, Metro staff considers whether or not to establish a Disadvantaged Business, Small Business, and Disabled Veteran Business Enterprise participation goal based on various factors such as funding type (local, state or federal) and availability of subcontracting opportunities. When these participation goals are established, they become a mandatory condition of award and awardees are expected to meet or exceed their participation goals over the duration of the contract. On U.S. Dot funded contracts with Disadvantaged Business goals, it is understood that Metro, by law, is required to consider good faith efforts to meet goals. Additionally, the Board does not have data available for primes and/or first-tier sub-contractors that have previously contracted with Metro to assess how often awardees actually meet their Small, Disadvantaged and/or Disabled Veteran business utilization commitments. Developing a business utilization scorecard framework for all primes and first-tier sub-contractors doing business with Metro can encourage more small, disadvantaged, and disabled veteran-owned business participation and provide transparency on whether or not awardees have historically honored their participation commitments.

SUBJECT: DEVELOPING A BUSINESS UTILIZATION SCORECARD TO ENCOURAGE DBE, SBE, AND DVBE PARTICIPATION

RECOMMENDATION

APPROVE Motion by Directors Solis, Butts, Najarian, Dupont-Walker, and Sandoval that the Board of Directors direct the Chief Executive Officer or her designee to report back in November 2021 with the following:

- A. A certified Small, Disadvantaged, and Disabled Veteran business utilization scorecard framework for applicable primes and first-tier subcontractors doing business with Metro that demonstrates how often the firms have met their previous Disadvantaged Business, Small Business, and Disabled Veteran Business Enterprise participation commitments on Metro contracts (certified in accordance with Metro standards);
- B. Feasibility of considering a proposer's/bidder's business utilization scorecard as part of evaluation criteria for future contract awards; and
- C. Any additional recommendations to encourage better utilization of Disadvantaged Business, Small Business, and Disabled Veteran Business Enterprises, as well as recommendations to increase disadvantaged and female worker participation as part of Metro contracts.