

**Board Report**

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
JANUARY 18, 2018****Motion by:****Solis, Krekorian, Kuehl, Fasana, Garcetti, and Dupont-Walker****Item 45: Advancing Job Creation and Equity Outcomes with Manufactured Transit Equipment Procurements**

As the first transit agency in the nation to adopt a Construction Careers Policy, Metro has become a leader in harnessing the full potential of local investments by achieving and promoting family-supporting jobs in disadvantaged communities, improved equity outcomes, and cleaner transportation options for Los Angeles County.

For the purchase of new railcars and buses, Metro was also the first transit agency in the country to utilize the U.S. Employment Plan (USEP), which incentivizes manufacturers to create good local jobs and training programs, invest in new or existing manufacturing facilities and generate unprecedented opportunities for historically underserved communities. Metro's USEP was approved by the Federal Transit Administration for use on the P3010 Light Rail Car project, which awarded an \$890 million contract to railcar manufacturer Kinkisharyo International. The contract resulted in a new manufacturing facility in Los Angeles County and the creation of 404 high quality jobs. Metro has also employed localized versions of the USEP, known as the Local Employment Plan (LEP).

The USEP and LEP programs have elevated Metro's transparency related to the procurement of manufactured equipment by disclosing information about jobs, training, and equity commitments and reporting requirements from contractors. The USEP complies with the full and open competition requirements mandated in all federal contracting. Given the anticipated growth in Metro's transit operations, capital infrastructure program and associated procurements for manufactured transit equipment, it's prudent to maximize:

- Job creation and career development for low-income residents and those facing barriers to employment;
- Equity outcomes and economic resiliency in disadvantaged communities; and
- Investments in new or existing manufacturing/assembly facilities in Los Angeles County.

**SUBJECT: Motion by Solis, Krekorian, Kuehl, Fasana, Garcetti, and Dupont-Walker****Advancing Job Creation and Equity Outcomes with Manufactured Transit Equipment Procurements**

WE THEREFORE MOVE that the Board direct the CEO to apply the USEP to all federally funded rolling stock procurements, and related contracts with a minimum contract value of \$100 million that prescribes inclusion of, but is not limited to, the following:

- A. Factors such as the total wages and benefits for quality jobs that would be newly created or retained in connection to a major capital project contract; a requirement that Disadvantaged Workers comprise at least 10% of the total new wages, and benefits; identification of the location (s) of manufacture and assembly of the major capital projects; investment in new or existing facilities; investment in training, workforce development and apprenticeship programs;
- B. Include an evaluation mechanism in the USEP proposal scoring criteria that represents a meaningful level of the overall possible points for a Best Value proposal evaluation; and
- C. Enforcement mechanisms requiring awardees to submit quarterly reports regarding compliance with USEP commitments by Contractor and any Subcontractors after contract awards. The quarterly report shall summarize the major actions taken during the prior quarter during implementation of the USEP, and progress toward the attainment.