



Pre-Qualification Program

Finance, Budget & Audit Committee
September 19, 2024



Metro

Recommendation

Staff is requesting the following:

- A. ADOPT an amendment to Metro's Administrative Code Chapter 4-05 to replace the existing contractor pre-qualification language with Attachment A of this Board Report; effective January 1, 2025.
- B. RECEIVE AND FILE streamlining initiatives including electronic signature deployment for procurement contracts and purchase orders.

Background

- California Public Utilities Code 130051.21 requires Metro to have a program to pre-qualify contractors seeking to do business with Metro. Metro Administrative Code Chapter 4-05 was adopted by the Board in 2004 and details the Pre-Qualification process for all vendors in which the awarded contract, or first tier subcontract, is reasonably expected to exceed \$100,000 in value.
- The update to the Metro Administrative Code Chapter 4-05 is needed as well as an increase to the \$100,000 threshold. The \$100,000 threshold is not consistent with the levels of inflation, cost increases, market fluctuations, etc. that have been seen in the economy in the last 20 years. It is also not consistent with the current level of risk for the agency. Raising the threshold to \$500,000 will better align with Metro contracting.
- This update will immediately benefit our vendor and small business community since it will eliminate the pre-qualification review for contracts under \$500,000, where Metro's risk is minimal.
- Additionally, the vendor and small business community, including the Southern California Contractors Association (SCCA), have expressed concerns about cumbersome elements of the procurement process.