



Annual Status Report: 48 X '28 PLAN

Executive Management Committee

May 15, 2025



Metro

BACKGROUND/HISTORY

- In December 2021, the Board passed Motion 43, directing staff to develop policies to expand small and disadvantaged business participation in Metro's capital projects.
- This effort was formalized in May 2022 with the "48 by '28 Plan," setting a goal of achieving 48% small business participation in Measure R and M-funded projects by the 2028 Olympics.
- Subsequent actions included a 2022 Inspector General report recommending improvements to SBE certification and reciprocity.
- In July 2023, Motion 24 required ongoing progress updates and an annual fiscal year-end report. By February 2024, Metro reported measurable progress and continued work on implementing certification improvements.
- In March 2024, the Board received the 2023 Disparity Study with additional recommendations, including piloting a Micro Small Business Program, which is now part of the overall effort.

This report is the annual progress report on all components of the 48 by '28 Plan, inclusive of the additional recommendations stemming from the 2023 Disparity Study.

STATUS UPDATE FOR THE INITIATIVES WITHIN THE 48 BY '28 PLAN:

	Top 8 Initiatives	Action	Status
1	Roll-Out 15-Day Pay	Implemented for SBE primes on January 16, 2024 and expanded to include DBE primes on May 1, 2024. Since inception, 114 SBE firms, and 9 DBE firms have been awarded a contract/purchase order as a prime and were eligible to receive net 15 payment terms.	Completed
2	Explore the feasibility of increasing the SBE Certification Personal Net Worth (PNW) and a potential SBE Certification Reciprocity with the Los Angeles Unified School District:	Effective May 9, 2024, the PNW threshold increased from \$1.32 million to \$2.047 million Metro entered into a Memorandum of Agreement (MOA) with Bay Area Rapid Transit (BART) for SBE Reciprocity, effective January 1, 2025. Metro will explore opportunities for reciprocity, where feasible.	Completed
3	Coordination of Efforts with Los Angeles Area Chamber of Commerce OneLA Collaborative	Metro will continue its efforts to collaborate the Chamber and find ways to assist and encourage OneLA participants to apply for certification with Metro. Metro has partnered with the Chamber on the Get in the Game LA Supplier Resource Hub, whereby a link to Metro's Vendor Portal has been added to the portal.	Completed
4	Enhancing the Reach of Metro's Small Business Outreach Efforts by Advertising Metro Events on the City of Los Angeles' RAMP Portal	Metro has advertised seven (7) Outreach events on the RAMP Portal and will continue the partnership and explore additional ways to utilize the platform.	Completed
5	Engage Local Return and Transit Operators	Metro staff continues to engage local jurisdictions, through surveys. In coordination with Local Programming within Countywide Planning & Development, DEOD issued a fourth survey to the local jurisdictions in September 2024.	On-going Report Annually
6	Enhance Capacity Building and Access to Capital	The Contract Financing Assistance Program (CFAP) was launched in September 2023. One small business has successfully obtained financing through a CFAP loan and will continue to highlight the program in its outreach efforts as a tool to help alleviate cash flow challenges for small businesses.	Completed
7	Encourage Support for Federal Program Changes	Metro's federal advocacy in Washington, DC will continue its support of efforts that enable businesses owned by socially and economically disadvantaged individuals to fairly compete for contracts and subcontracts being funded by the U.S. Department of Transportation. Metro is planning to host a DBE Program Summit in Q4 FY25 that will bring local and regional agencies together to discuss legal updates and potential impacts and/or changes to the DBE Program.	On-going Report Annually
8	Increase Small Business Program Regional Attainments - FY24 Fiscal Year-End Report	Total dollars awarded to small businesses regionally increased from \$71.1 million in FY23 to \$280.6 million in FY24. However, the percentage of awards to SBE firms decreased from 35.41% to 30.05% for this same period.	On-going Report Annually

STATUS UPDATE ON THE RECOMMENDATIONS FROM THE 2023 DISPARITY STUDY:

	Recommendations	Action	Status
1	Rotation system for bench contracts and/or developing benches comprised solely of SBE/DBE firms	Metro currently uses the rotational bench system and has one bench contract comprised of only small and disadvantaged businesses as primes. Staff will encourage cabinet departments to consider these types of bench options, where appropriate.	On-going
2	Provide technical assistance support on how to bid with Metro	In the pre-solicitation phase to bring on a consultant to implement the Small Business Technical Assistance Program (SBTAP). Staff aims to bring the recommendation for award to the Board in FY26 Q2.	In Progress
3	Develop a Microbusiness Program	A three-year pilot Local Micro Small Business Enterprise (LMCSBE) Program is scheduled to launch July 2025.	In Progress
4	Consider changing solicitation language to encourage primes to partner with subcontractors with which they have never work	Staff benchmarked four agencies and learned that outreach has been the primary course of action leading primes to partner with small and disadvantaged businesses they had not worked with before.	Completed
5	Unbundling large contracts	Unbundling is already encouraged as a component part of the Set-Aside Program. Staff will work with the Cabinet Liaisons in the procurement planning process to evaluate the potential opportunities for unbundling large contracts.	On-going
6	Adjust contract value for inflation for projects that span a certain number of years	Metro has used an escalation clause, that may be exercised at Metro's sole discretion, in multi-year cost reimbursable plus fixed fee contracts for professional A&E services.	Completed
7	Improvements to prequalification requirements	The Pre-Qualification threshold was increased from \$100,000 to \$500,000, effective January 1, 2025.	Completed



Next Steps:

- Staff will continue to implement Initiatives of the 48 by '28 Plan and the disparity study recommendations and provide status updates annually.