



Board Report

File #: 2016-0765, **File Type:** Contract

Agenda Number: 20.

**CONSTRUCTION COMMITTEE
EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 20, 2016**

SUBJECT: METRO PILOT CRENSHAW/LAX TRANSIT PROJECT BUSINESS SOLUTION CENTER

ACTION: AWARD CONTRACT

RECOMMENDATION

CONSIDER AUTHORIZING the Chief Executive Officer to:

- A. AWARD a two-year, firm fixed price Contract No. PS2890900 to Del Richardson & Associates, Inc. for **professional services to operate the Metro Pilot Crenshaw/LAX Transit Project Business Solution Center (BSC)** in the amount of \$849,008 for the two-year period, subject to resolution of protest(s), if any; and
- B. AMEND the FY17 budget in the amount of \$380,000 to fund the award of Contract No. PS2890900 for professional services to operate the pilot BSC.

ISSUE

In July 2014, Metro's Board of Directors issued Motion 79 which authorized the CEO to establish a Metro Pilot Business Solution Center to provide hands-on case management services and business assistance to small businesses along the Crenshaw Corridor between 48th and 60th Streets during the four-year term of the Crenshaw/LAX Transit Line Project.

The BSC formally launched operations in February 2015; and Metro staff completed a program assessment in February 2016 which included feedback from Metro's Contractor and members of the business community engaged in the BSC services. As a result, Metro staff assessed the feasibility of re-scoping the pilot program model and contract scope of work and issued a new solicitation to perform BSC services. In recognition of Motion 79 (Attachment B) and the vital role Metro's BSC provides to the small business community within the Crenshaw Corridor, this contract award will enable Metro to meet the objective of securing a service provider to operate the Pilot BSC for the remaining two years of operations for the pilot program.

DISCUSSION

Recognizing the BSC is Metro's first-ever pilot program, staff continues to provide ongoing review and assessment of the program; and in light of the program being operational for more than one year a comprehensive program assessment was initiated in January 2016. The assessment included: feedback from business owners about their experience and interactions with the BSC through a facilitated focus group; review of the program model with Metro project staff and the Contractor through a facilitated project review meeting; review of the original report entitled "Recommendations for a Pilot Metro Business Solutions Center;" and an assessment of program metrics such as the number of businesses along the project alignment seeking support services including the number of businesses internal and external of the the BSC target area of 48th - 60th Street. In addition, Metro staff conducted another series of market research interviews with five small business service providers to obtain best practices and industry standards for small business assistance programs.

The program model for Metro's pilot BSC was developed through the framework outlined in the "Recommendations for a Pilot Metro Business Solutions Center" and Motion 79 that recommended the BSC provide business assistance including expert business advice, technical assistance and other focused resources for businesses in the target area of 48th - 60th Street based on construction activity of the at-grade portion of the transit rail project. As a result, the current scope of work provides focused resources such as hands-on case-management only for small businesses in the BSC target area. However, as with any pilot program, Metro has gained additional information, observations and lessons learned to allow enhancements to be made to the project model and scope of work. For example, more than 60% of small businesses seeking BSC support services are outside the predefined BSC target area thus they do not have access to the hands-on case management services. In addition, based on the business demographic data and the areas of services additional insights have been attained to support enhancements to the types of specialized services and resources provided by the BSC. Re-scoping the program model and contract scope of work will enhance the level of services provided to businesses located outside the target area along the Crenshaw Corridor. Furthermore, based on their interactions with the BSC, participants of the business focus group stressed the need for Metro to enhance the case management model and scope; and to provide access to specialized subject matter experts for technical business support.

Moreover, Metro's BSC has achieved program successes within the first year of operations through providing technical support services and referrals for more than 200 businesses in the areas of marketing, access to capital including referral to Metro's Business Interruption Fund, social media and technology and others. The BSC continues to provide small businesses along the Crenshaw Corridor access to business experts and customized small business programs such as "Salon Management," "Building Your Brand" and the "Brainstorming over Breakfast" workshop which focused on restaurateurs. Recently, through collaboration with the Los Angeles Urban League the BSC delivered a Google sponsored program "Get Your Business Online;" which focused on introducing social media and technology based tools to the small business community. These intensive workshops are a demonstration of the types of innovative support services and programs offered to the small business community through Metro's BSC. Re-scoping the program model will not only enhance the level of services provided by the BSC but also enhance the level of expert services available to businesses within the Crenshaw Corridor regardless of their location within the

predefined area of 48th - 60th Street; and provide the businesses access to the one-on-one focused client services throughout the remaining two-year term of the BSC operations.

The objective of the solicitation was to procure a Contractor to operate the pilot BSC inclusive of: (1) one-on-one focused client services for small and micro businesses located along the Corridor, (2) access to services via multiple avenues including a field and virtual (web based) presence, and (3) an outreach program for small and micro businesses on the Corridor to facilitate the utilization of available services and resources including access to other business experts and resource providers referred through the BSC. The Contractor shall perform one-on-one client services and outreach functions for potentially more than 200 businesses along the Crenshaw Corridor that have experienced the impacts of the transit rail construction. Metro staff will continue to provide proactive oversight and assessment of the pilot program and the Contractor during the final years of operations.

DETERMINATION OF SAFETY IMPACT

The Pilot BSC will have no impact on safety of Metro's patrons or employees.

FINANCIAL IMPACT

Metro staff previously identified Measure R Admin funds as the most suitable funding source to support the implementation and administration of the Pilot BSC. Therefore, Metro will continue to fund the Pilot BSC's remaining two-year activities for fiscal years 2017 and 2018 for the total negotiated amount. An adjustment will be made to the FY17 budget to fund the contract award for professional services to operate the remaining two years of the Pilot BSC. Since this is a multi-year contract, Vendor/Contract Management will be responsible for budgeting funds for FY18 in Cost Center 0691Non-Departmental Procurement; Project Number 100055, Project Name - Admin-Measure R; Task No. 05.01 and Task Name Crenshaw BSC.

Impact to Budget

The source of funds for this project will be from Measure R Admin. Upon review of operating and project source of funds, the identified funds were deemed most suitable. An amendment will be made to the FY17 budget for an increase in the amount of \$380,000 to fund the award of Contract No. PS2890900 for professional services to operate the pilot BSC.

ALTERNATIVES CONSIDERED

1. Not awarding this Contract. Staff is not recommending this alternative because it will affect Metro's ability to provide the identified services to small and micro businesses along the Crenshaw Corridor during the remaining two-year term of construction of the Crenshaw/LAX Transit Line.
2. Utilizing Metro staff to operate the Pilot BSC. This alternative is not recommended because Metro does not have the required staffing availability, dedicated resources or expertise to operate the pilot BSC and perform the services as outlined in the SOW.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS2890900 with Del Richardson & Associates, Inc.. In compliance with Board Motion 57 dated September 14, 2014, Metro staff will continue to report back to the Board of Directors on the status of the BSC and services to be performed by the Contractor.

ATTACHMENTS

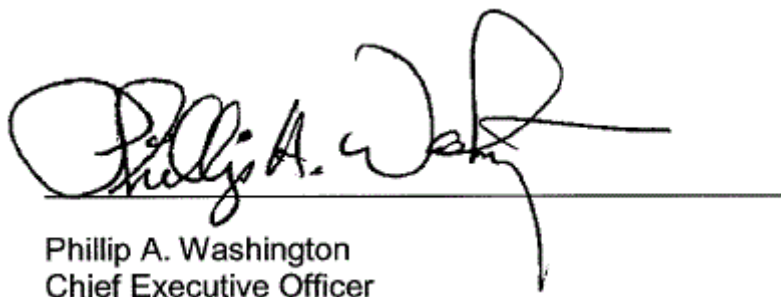
Attachment A - Procurement Summary

Attachment B - Motion 79

Attachment C - DEOD Summary

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