

**Board Report**

File #: 2022-0147, **File Type:** Contract**Agenda Number:** 30.

**CONSTRUCTION COMMITTEE
APRIL 21, 2022****SUBJECT: FUND ADMINISTRATOR FOR METRO PILOT BUSINESS INTERRUPTION FUND
(BIF)****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 6 to the Business Interruption Fund (BIF) Administration Services Contract No. PS56079000 with Pacific Coast Regional Small Business Development Corporation (PCR) to exercise the second, one-year option in the amount of \$650,306, increasing the total contract value from \$2,754,855 to \$3,405,161, to continue to serve as the fund administrator for Metro's Pilot BIF and extending the period of performance from May 1, 2022 to April 30, 2023.

ISSUE

On February 28, 2019, Metro Board of Directors approved the award of Metro's BIF Administration Services Contract program in the amount of \$3,348,010, inclusive of a two-year base term, plus two (2), one-year options.

Board authorization is requested to exercise the second, one-year option to continue support of the ongoing implementation of the BIF as approved by Metro's Board of Directors.

BACKGROUND

Metro's Board of Directors authorized the Pilot Business Interruption Fund (Program) in October 2014 to provide financial assistance to small "mom and pop" businesses directly impacted by Metro's transit rail construction located along the alignment of the Crenshaw/LAX Transit Project, the Little Tokyo area of the Regional Connector, and Section 1 of the Purple Line Extension. In December 2015 Metro's Board of Directors authorized the expansion of the BIF to include "mom and pop" businesses directly impacted by unprecedented full street closures with duration greater than six continuous months, such as the 2nd/Broadway segment of the Regional Connector. In December 2016 Metro's Board of Directors authorized the expansion of the BIF to include eligible businesses along Section 2 of the Purple Line Extension and in February 2019 Metro's Board of Director's authorized the expansion of the BIF to include eligible businesses along Section 3 of the Purple Line

Extension.

Businesses eligible for assistance are those located immediately adjacent to the transit rail corridors (above) that can demonstrate a loss of revenue directly related to the period of Metro construction disruption as compared to the same time in the previous year. Businesses must also have 25 or fewer full-time employees and be in continuous operation for at least two years along their respective transit rail corridor.

DISCUSSION

Metro has continued to provide financial assistance to directly impacted eligible businesses through the contracted professional services of PCR, a Community Development Financial Institution (CDFI) and Small Business Development Center (SBDC) serving as the BIF fund administrator.

The second one-year option period of the professional services for the Business Interruption Fund allows PCR to continue to serve as administrator for Metro's Pilot BIF. The Business Interruption Fund has provided financial assistance to over 430 small businesses and has awarded over \$33.7 million dollars in BIF grant awards. Continuation of services will allow the BIF to provide ongoing financial assistance to the small "mom and pop" businesses impacted by the construction of the Purple Line Extension Sections 1, 2 and 3, and the Little Tokyo Area of the Regional Connector and for the close-out of construction along the Crenshaw/LAX Transit Project.

Staff, along with PCR, continues to implement various outreach activities and methods to inform and educate small businesses about the BIF, provide direct support throughout the application process and link businesses to other small business support services such as Metro's Crenshaw/LAX Transit Business Solution Center (BSC), Metro's Little Tokyo Community Relation Office and/or the Little Tokyo Small Business Solution Center co-located at Metro's Community Relations office including PCR's Small Business Development Corporation; and Metro's Eat-Shop-Play program.

DETERMINATION OF SAFETY IMPACT

The approval of the recommendations above will have no negative impact on the safety of Metro employees or passengers.

FINANCIAL IMPACT

The administrative cost for the implementation of the program is allocated from Measure R Administration funds. Funds for FY22 are currently budgeted in Cost Center 0691 Non-Departmental Procurement Project Number 100055, Project Name - Admin-Measure R Task 06.02. Furthermore, Office of Civil Rights, Racial Equity & Inclusion has requested the necessary funds in the submitted FY23 budget request, which is currently under review, in support of program activities within the aforementioned cost center, project and task.

Impact to Budget

Measure R Administration funds were previously identified as eligible for this expense through prior Board of Directors authorization and approval. The annual appropriation of the funding source does not impact transit operations and/or capital projects/programs.

EQUITY PLATFORM

This action will ensure Metro staff have the funding and tools required to continue the implementation of Metro's Pilot Business Interruption Fund and provide financial assistance to the small "mom and pop" businesses impacted by the construction of the Purple Line Extension Sections 1, 2 and 3, and the Little Tokyo Area of the Regional Connector and for the close-out of construction along the Crenshaw/LAX Transit Project. These construction areas traverse through Equity Focused Communities (EFCs) in South Los Angeles, Little Tokyo, and parts of the Westside of the City of LA.

This action will ensure that PCR staff will have the funding needed to exercise necessary outreach to the small business community via door-to-door outreach, community presentations and through collaborative referrals from Metro's Business Solution Center, Metro's Eat, Shop, Play program and Metro's Construction Relations department. Furthermore, PCR's outreach will continue to be inclusive of small "mom and pop" business owners from diverse backgrounds, as exemplified by BIF marketing materials provided in multiple languages. As of Quarter 4 of 2021, 69% of BIF Grants were disbursed to small "mom and pop" business owners from minority backgrounds.

The Diversity and Economic Opportunity Department (DEOD) did not recommend an SBE/DVBE goal for this procurement due to lack of subcontracting opportunities. Pacific Coast Regional is a minority owned business and is expected to perform the work with its own workforce.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item aligns to Metro strategic goal 3 - enhance communities and lives through mobility and access to opportunity, and goal 5 - provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

Staff considered utilizing Metro staff to perform the fund administration services for BIF. This alternative is not recommended, because Metro does not have the required staffing availability, dedicated resources or expertise to serve as a financial administrator such as those possessed by a community development financial institution.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 6 to exercise the second option year of the BIF Administration Services Contract No. PS56079000 with PCR.

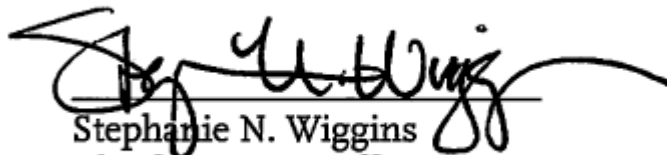
ATTACHMENT

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

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