



Board Report

File #: 2018-0358, **File Type:** Contract

Agenda Number: 40.

**FINANCE, BUDGET AND AUDIT COMMITTEE
SEPTEMBER 19, 2018
EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 20, 2018**

SUBJECT: METRO TRANSPORTATION SCHOOL

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the Final Feasibility Report for the Metro Transportation School;
- B. AMENDING the FY19 budget with up to \$1,000,000 for predevelopment activities associated with the school site;
- C. AUTHORIZING the Chief Executive Officer to execute Modification No. 3 to Contract No. PS45385000 with causeIMPACTS LLC for additional support services for the Transportation School Consulting Services contract in the amount of \$200,709, increasing the total contract value from \$402,530 to \$603,239 and extending the contract period of performance by 12 months; and
- D. INCREASING Contract Modification Authority (CMA) specific to Contract No. PS45385000 in the amount of \$100,000 increasing the total authorized CMA amount from \$100,000 to \$200,000.

ISSUE

Metro is poised to dramatically transform the transportation infrastructure of the region with the passage of Measure M, and in doing so, propel the development of a sizeable workforce to support the planning, construction, operations, and maintenance of our expanding system. This increasing demand for a skilled transportation workforce, combined with at-risk youth’s employment needs, create a strategic opportunity for Metro to impact the cycle of poverty by serving as an engaged, founding industry partner in a public charter boarding school to provide students with real word learning opportunities that will expose, explore, engage, experience and employ them about careers in in the transportation industry. Metro can address multiple infrastructure agency needs and give

back to the community by educating and ultimately employing local youth.

BACKGROUND

At its April 2017 meeting, the Board approved Motion No. 43 by Directors Ridley-Thomas, Fasana, Garcetti, Barger, Garcia, and Dupont-Walker directing the CEO to develop a framework for a pilot educational and vocational training program, specifically, though not exclusively, targeting at-risk youth who had exposure to the County's safety net and who had historically been under-served educationally.

At its June 2017 meeting, the Board received and filed the proposed framework for a pilot educational and training program with the objective of facilitating career pathways for local youth in Los Angeles County's transportation sector. The framework identified retention of a consultant as a next step in developing a school program.

In November 2017, causeIMPACTS was retained as a consultant to develop a transportation school feasibility report. At the May 2018 meeting, the Board approved Metro to negotiate and enter into an MOU with the County for the development of the transportation school. At its June 19, 2018 meeting, the LA County Board of Supervisors authorized an Exclusive Negotiating Agreement with the SEED Foundation to serve as the boarding school operator for a site in the County's possession on the 8500 block of South Vermont Avenue in Los Angeles.

DISCUSSION

E3 and Transportation School Framework

The attached feasibility report outlines the key findings and analyses performed by causeIMPACTS through June 2018. After engaging 200 stakeholders, the need to develop and implement a county wide educational and career-training program was identified. Over the next five years, 46% of Metro employees will be eligible for retirement; in the next 10 years, more than 50% of the transportation industry workforce will also be eligible for retirement. This creates a need to hire and train a younger workforce to prepare for the jobs that these looming retirements will create. To address this need, the consultant and project team have developed the Metro Expose, Educate, Employ Youth Education (E3) Initiative that aims to expose, educate and employ the next generation of youth into the transportation industry. The centerpiece of the E3 initiative is the SEED School of Los Angeles County that plans to recruit youth from the County's safety net, along with youth from across the County, to a college-preparatory boarding academy that specializes in inspiring and training youth to pursue careers in the transportation and infrastructure sectors

The mission and goals of the E3 Initiative are to:

- Ensure the transportation school is a state-of-the-art, cutting edge facility, promoting innovation in the field. This is necessary to align with the technology revolution that is transforming Metro and the transportation industry.

- Align the curriculum development for synergy with Metro's workforce demands, to include the full arc of possibilities for youth to include career readiness for college preparatory education and options for immediate job opportunities through Metro and its contractors. This is necessary since 65% of Metro's job classifications require a college degree. Further, many construction and operations positions in the transportation and infrastructure industry provide skilled positions that are available post high school diploma with apprenticeships;
- In addition to a transportation school, through a transit job training center, expand the opportunities for disadvantaged non-school aged residents from across the County to seek opportunities for job training to prepare themselves for careers in the transit industry in coordination with Metro's WIN LA Program;
- Partner with labor, the private sector, community colleges and community organizations to develop culturally-sensitive training programs with wrap-around services (as needed); and
- In addition, the E3 initiative will broaden Metro connections with the future workforce by expanding school tours, providing teacher education about careers in transportation and expanding internships and summer camp models to connect youth from throughout the County with the transportation industry.

Transportation School Site

On December 5, 2017, the Los Angeles County Board of Supervisors (BOS) approved the acquisition of 4.2 acres of land on the 8400 and 8500 blocks of Vermont Ave in South Los Angeles for the development of the Vermont and Manchester Transit Priority Joint Development Project. The proposed Project consists of a six-story mixed-use affordable housing and community serving/commercial retail building, an open transit plaza, a job training center, a six-story high school boarding school with faculty residential units, and 383 parking spaces located at the ground-level and within a 4.5-level parking structure. The County received possession of the property on May 7th.

The proposed project site provides the opportunity for Metro to partner with the County to build the premiere public charter transportation boarding school at this location as well as a job training center within the mixed-use development. The SEED School of Los Angeles will be open to all youth in LA County but will have a special focus on "opportunity youth" that have, or are at risk, of contract with the County's public safety, child protection and welfare departments, or youth who have historically been under-served educationally. High school graduation rates for this population are 45% in California compared to 71%-76% for the general population. The SEED Foundation's graduation rate for a population with consistent poverty indicators is 92%.

DETERMINATION OF SAFETY IMPACT

This Board action will have no adverse impact on safety standards for Metro.

FINANCIAL IMPACT

The FY19 budget currently includes \$200,000 in the Human Capital & Development budget, to fund the planning activities to establish the E3 initiative, including the school. Upon approval of recommendation B, the FY19 budget can be amended up to an increase by \$1,000,000 for a total cumulative amount of \$1,200,000 to continue planning and coordination efforts associated with Transit School planning activities. Since this is a multi-year contract, the cost center manager and Chief Human Capital & Development Officer will be responsible for budgeting the cost in future years.

Impact to Budget

Upon approval of recommendation B, the planning activities associated with the E3 and Seed School will be funded with Planning and Admin funds which is comprised of state and local funds, and are eligible for planning activities for transportation projects which aligns with Metro's vision and goals for improved mobility in LA County.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan Goal #3 (Enhance Communities and lives through mobility and access to opportunity) - Initiative #3.1 (To lift up local communities, Metro will create jobs and career pathways in transportation). Metro is currently developing a transportation focused school curriculum to extend the career pipeline to elementary, middle, and high school students to cultivate the transportation workforce of the future.

ALTERNATIVES CONSIDERED

The Board could choose not to proceed with the recommended actions. Staff does not recommend proceeding with this alternative since it does not address the priorities outlined in the Board motion to address the agency's workforce needs.

NEXT STEPS

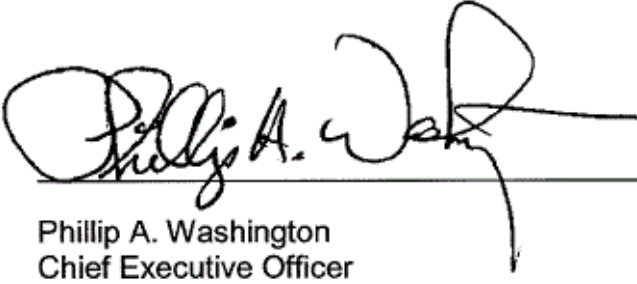
Upon approval by the Board, staff will execute Contract Modification No. 3 with cause IMPACTS and continue negotiations with the County and the SEED Foundation regarding the operating subsidy.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary
Attachment D - Principles for the MOU
Attachment E - Summary of Final Report

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