



Metro

Los Angeles County
Metropolitan Transportation Authority

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**PLANNING AND PROGRAMMING COMMITTEE
FEBRUARY 15, 2012**

SUBJECT: AMERICA FAST FORWARD PROGRAM

ACTION: AMEND FINANCIAL ADVISORY SERVICES CONTRACT

RECOMMENDATION

Authorize the Chief Executive Officer to execute modification No. 3 to Contract No. PS-4010-2589 with Mercator Advisors, LLC to provide federal financial advisory and analytical services for a period of 12 months in the amount not to exceed \$149,172, increasing the Total Contract Value from \$288,601 to \$437,773.

ISSUE

Successfully implementing the America Fast Forward program will deliver considerable benefits to Los Angeles County by creating jobs while improving the infrastructure, reducing greenhouse emissions, improving mobility and easing traffic congestion. Additional financial advisory and analytical resources are necessary to support our efforts to develop and advocate for the America Fast Forward program. Mercator Advisors, LLC, our current Federal Financial Policy Advisor, is recommended to continue to provide advisory and analytical services for these efforts on a sole source basis

DISCUSSION

The Los Angeles County Metropolitan Transportation Authority (LACMTA) has been pursuing numerous strategies to facilitate implementation of America Fast Forward Program. Mercator Advisors, LLC was selected in 2010 following a competitive procurement and is providing LACMTA with ongoing strategic advice and analyses regarding existing and potential state and federal funding and financing opportunities to implement the program successfully. Mercator Advisors, LLC also is developing proposed legislative language to implement the preferred mix of financial tools and strategies, along with accompanying policy justifications. We believe LACMTA's legislative efforts would be significantly hampered if these services were not continued.

DETERMINATION OF SAFETY IMPACT

The contract modification will not impact safety of Metro's patrons or employees.

FINANCIAL IMPACT

The funding of \$35,000 for the remainder of FY12 is included in the FY12 budget in cost center #4010 project# 100055. Since this is a multi-year contract, the Executive Officer of Regional Programming will be responsible for budgeting the funds in future years.

Impact to Budget

The source of funds for the contract modification are local sales tax funds. These funds are not eligible for bus and rail operating costs

ALTERNATIVES CONSIDERED

A new procurement for Federal Financial Policy Advisor could be pursued. This alternative is not recommended because it would disrupt our ongoing work in support of the America Fast Forward Program. We need continuous access to this strategic resource to address new and changing policy initiatives as the America Fast Forward program progresses. Having one advisor will ensure that our opportunities and advantages are maximized and gained consistently.

NEXT STEPS

With Board approval of the contract modification, we will continue to work with Mercator Advisors to pursue successful implementation of the America Fast Forward program.

ATTACHMENTS

A. Procurement Summary

Prepared by: David Yale, Deputy Executive Officer, Regional Programming

Michelle Lopes Caldwell

Michelle Lopes Caldwell
Chief Administrative Services Officer

Martha Welborne

Martha Welborne, FAIA
Executive Director, Countywide Planning

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

**PROCUREMENT SUMMARY
FINANCIAL ADVISORY SERVICES
MODIFICATION TO ADD FUNDS TO CONTRACT**

1.	Contract Number: PS-4010-2589	
2.	Recommended Vendors: Mercator Advisors, LLC	
3.	Type of Procurement (check one) : <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP – A&E <input type="checkbox"/> Non-Competitive <input checked="" type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: December 20, 2011	
	B. Advertised/Publicized: N/A	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: December 27, 2011	
	E. Pre-Qualification Completed: August 19, 2010	
	F. Conflict of Interest Form Submitted to Ethics: N/A	
	G. Protest Period End Date: N/A	
5.	Solicitations Picked up/ Downloaded: N/A	Bids/Proposals Received: 1
6.	Contract Administrator: Maria V. Lechuga	Telephone Number: (213) 922-7206
7.	Project Manager: David Yale	Telephone Number: (213) 922- 2469

A. Procurement Background

In September 2010, LACMTA awarded a Time and Material contract PS62402786 to Mercator Advisors, LLC to assist in pursuing various forms of federal financial assistance with America Fast Forward for a Not-to-Exceed amount of \$196,180, as a result of a competitive procurement.

Modification No. 1, dated February 24, 2011, was issued to the Contractor to add work to the scope and provide additional funding in the amount of \$42,421 for a new Not-to-Exceed amount of \$238,601.

Modification No. 2, dated August 24, 2011, was issued to the Contractor to extend the contract to February 29, 2012, and to provide additional funding in the amount of \$50,000, for a new Not-to-Exceed amount of \$288,601.

Modification No. 3 will provide additional funding authority and extend the term of the contract for an additional twelve months. Total value of contract with the additional funding authority of \$149,172 will be a Not-to-Exceed amount of \$437,773.

B. Evaluation of Proposals/Bids

Procurement requested a Cost Proposal from Mercator Advisors on December 20, 2011. The cost proposal was submitted by Mercator Advisors on December 27, 2011, in the amount of \$152,605. Procurement performed a cost analysis and negotiated with Mercator Advisors on January 9, 2012, which resulted in a revised cost proposal in the Not-to-Exceed amount of \$149,172, a savings to Metro in the amount of \$3,433. The recommended price has been determined to be fair and reasonable based upon an independent cost estimate, cost analysis, technical evaluation, and negotiations.

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate, cost analysis, technical evaluation, and negotiations.

	Bidder/Proposer Name	Bid/Proposal Amount	Price Negotiated
1	Mercator Advisors, LLC.	\$152,605	\$149,172

D. Background on Recommended Contractor

Mercator Group LLC was founded in 1997 and is based in Wayland, Massachusetts. Mercator Group was formerly known as Mercator Ventures LLC and changed its name in January 2002.

Mercator Advisors, LLC (Mercator) provides financial consulting services to government, corporate and non-profit organizations sponsoring major infrastructure projects and programs. They specialize in large or complex capital investments involving a blend of public and private sector resources and utilizing innovative procurement, financing or management techniques. Mercator helps their clients develop financial policies, implement capital programs and finance infrastructure projects.

Mercator has considerable experience working with federal assistance programs especially federal credit programs. Mercator offers consulting services in various sectors, but their core practice is in transportation finance. One of Mercator's distinguishing features is its ability to integrate federal policies and programs with capital markets initiatives. They draw upon substantial federal experience to help clients make effective use of the USDOT tool box (TIFIA, SIBs, SEP-15, PABs, GARVEEs, etc.) in developing and implementing project financial plans. They also have advised federal agencies such as: USDOT, Department of Education, the Rural Utilities Service and the Transportation Security Administration in designing,

managing and evaluating financial assistance programs for major capital projects. Mercator principals David Seltzer and Bryan Grote helped to conceive, develop and implement the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program.

E. Small Business Participation

Mercator Advisors, LLC made a 0% SBE commitment for this contract.