

**Metro**Los Angeles County
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Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net**EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 18, 2012****SUBJECT: DISADVANTAGED BUSINESS ENTERPRISE AND SMALL BUSINESS
ENTERPRISE CERTIFICATION SERVICES CONTRACTS****ACTION: AWARD CERTIFICATION SERVICES CONTRACTS****RECOMMENDATION**

- A. Authorize the Chief Executive Officer (CEO) to award fixed unit rate contracts (PS13213001 A & B) to HSW Services and Small Business Enterprise Utilization Services for Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) certification services in an amount not-to-exceed a cumulative total of \$2.6M. This is a six-year contract with a three year base and three one-year options; and
- B. Authorize the CEO to award contracts to additional qualified firms throughout the term of this contract to assist in the performance of this work.

ISSUE

The passage of Measure R provides Metro with an opportunity to construct over \$30 billion of rail and highway projects in Los Angeles County. These projects will require an extensive pool of DBE and/or SBE certified firms to meet the high volume of highway and transit infrastructure work. The use of certification firms will reduce application process time and increase the pool of certified DBE and SBE firms available to participate on Metro contracts. Metro also receives requests from applicants to expedite the certification review to meet various bid or proposal due dates. The use of certification firms will provide access to professional resources to maximize opportunity for businesses to obtain certification. These certification firms will also assist to provide technical assistance to business applicants and conduct certification workshops.

DISCUSSION

Metro is a certifying agency under the California Unified Certification Program (CUCP) in accordance with 49 Code of Federal Regulations (CFR) Part 26, Department of Transportation DBE Program. The CUCP consists of three DBE certifying agencies in the Southern California region: the City of Los Angeles, the California Department of Transportation (Caltrans) and Metro. The City of Los Angeles has limited its acceptance of DBE certification applications to businesses only located within the City of Los Angeles. Metro and Caltrans receive the bulk of applications within Los Angeles County and the region. In addition, Metro also receives applications for SBE certification for Metro contracts funded with non-federal funds. In April 2011, the Board approved improvements to the SBE program certification process by increasing the number of businesses that are now eligible to apply for SBE certification. Each consulting firm will complete approximately 175 additional certifications per year.

In addition to the support provided to Metro projects, applications for DBE and SBE certification are received from businesses seeking opportunities with the Expo and Foothill Construction Authorities, and High Speed Rail.

DETERMINATION OF SAFETY IMPACT

Approval of this procurement will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

Funding of \$348,600 is included in the FY13 budget in cost center 2130, Diversity and Economic Opportunity under project 100001, General Overhead. Since this is a multi-year contract, the cost center manager and Chief Administrative Services Officer will be accountable for budgeting the cost in future years.

Impact to Budget

The source of funds for these services is federal, state, and local which are eligible for bus and rail operating costs. No other sources of funds were considered because these funds are programmed for this use.

ALTERNATIVES CONSIDERED

The Board could choose not to approve staff recommendations. The alternative would be to increase the staffing level of the Diversity & Economic Opportunity Department to handle increased workload. This alternative is not recommended because the volume of applications constantly changes making this activity subject to peak periods alternating with periods of low activity.

NEXT STEPS

After the recommended Board action is approved, staff will complete the award process and issue contracts for the certification services.

ATTACHMENTS

A. Procurement Summary

Prepared by: Tashai Smith, Director, Small Business Programs
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Michelle Lopes Caldwell

Michelle Lopes Caldwell
Chief Administrative Services Officer

for Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

DISADVANTAGED (DBE) and SMALL BUSINESS ENTERPRISE (SBE) CERTIFICATION

1.	Contract Number: PS13213001	
2.	Recommended Vendors: HSW Services, SBEUS (Other qualified firms may be added at a later date)	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFIQ <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 05-15-12	
	B. Advertised/Publicized: 05-17-12	
	C. Pre-proposal/Pre-Bid Conference: 05-29-12	
	D. Proposals/Bids Due: 07-02-12	
	E. Pre-Qualification Completed: 8-16-12	
	F. Conflict of Interest Form Submitted to Ethics: 8-9-12	
	G. Protest Period End Date: 10-25-12	
5.	Solicitations Picked up/Downloaded: 78	Bids/Proposals Received: 8
6.	Contract Administrator: Jean Davis	Telephone Number: 213/922-1041
7.	Project Manager: Tashai Smith	Telephone Number: 213/922-2128

A. Procurement Background

The Request for Interest and Qualifications (RFIQ) was issued May 15, 2012 to establish a group of qualified firms to provide DBE/SBE certification services for up to six years. The RFIQ method was used to identify and establish a qualified list of candidates to assist DEOD in the performance of DBE and SBE certification activities. It was also established that additional candidates may be added during the term of the contract.

The RFIQ was issued in accordance with Metro's Acquisition Policy and the contract type is a Fixed Unit Rate. A pre-proposal conference was held on May 29, 2012. One amendment was issued during the solicitation phase of this RFIQ. Amendment No. 1 was issued June 14, 2012 in response to approximately 16 questions which clarified insurance certificate requirements, Form 60, other submittal requirements, work distribution, and extended the due date to July 2, 2012. A total of eight proposals were received on the due date.

B. Evaluation of Proposals/Bids

The procurement methodology used was a Request for Interest & Qualifications (RFIQ) with explicit factors/weighted guidelines. Respondents were required to meet minimum qualifications and then evaluated on the following evaluation criteria and weights:

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|--|------------|
| • Prime Consultant Qualifications | 35 percent |
| • Effectiveness of Management Plan
Understanding of Work & Approach | 35 percent |
| • Price | 30 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar procurements. Several factors were considered when developing these weights, giving the greatest importance to the proposers' direct experience and working knowledge processing DBE/SBE certification applications.

A Source Selection Committee (SSC) consisting of three staff members from DEOD was convened and conducted a comprehensive technical evaluation of the proposals received. The SSC met initially during the week of July 24, 2012 and discussed the RFIQ submissions relative to the minimum qualifications and evaluation criteria. The pass/fail minimum qualifications are: 1) Respondents must have at least 3 years experience processing and making eligibility determinations for DBE certification applications in accordance with 49 CFR, Part 26; and, 2) Demonstrated experience performing DBE and SBE certifications in the State of California in accordance with 49 CFR, Part 26 and Small Business Administration size standards. Five firms met the minimum qualifications and were further evaluated against the weighted evaluation criteria.

During the evaluation, the firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Each team's presentation was evaluated against the requirements of the RFIQ with emphasis placed on their experience with all aspects of the required tasks. Each team was requested to make a presentation on their certification and eligibility determination procedures. Teams were also asked to address their approach to maintaining confidentiality of applicants' information and relative evidence of handling denials. Each team was asked questions relative to each firm's proposed execution plan and previous experience.

After proposal review, fact-finding and interviews, the SSC determined that three firms were within the competitive range. One of the qualified firms withdrew due to concerns regarding some of the insurance requirements. The following two firms listed here in alphabetical order are qualified to perform this work.

- HSW Services

- Small Business Enterprise Utilization Services (SBEUS).

Qualifications Summary of Firms on the Shortlist in alphabetical order:

HSW Services

HSW Services is a sole proprietorship owned by Marilyn White and a certified DOT/DBE MBE/WBE. HSW has conducted desk and on-site DBE certifications for Orange County Transportation Authority (OCTA) for 12 years. HSW has been providing full-time DBE certification services as a temporary consultant for Metro since March 30, 2012. Ms. White has successfully completed thousands of certifications in other federal agencies including SBA, GSA, Homeland Security, DOD, and Department of Justice. HSW has agreed to perform the work at Metro's standard rates.

Small Business Enterprise Utilization Services (SBEUS)

SBEUS, a sole proprietorship, owned and operated by Tina Giles-Potter, has over 25 years experience administering federal programs for the Department of Transportation (DOT), Department of Labor, and Small Business Administration. Ms. Giles-Potter managed and directed the OCTA Small Business Program for 8 years where she processed over 500 ACDBE/DBE certifications of various size businesses. SBEUS has provided full-time DBE certification services as a temporary consultant to Metro from June 2011 to June 2012. Ms. Giles-Potter provided very detailed and comprehensive procedures on reviewing certification applications. She has a very good understanding of the certification process and the regulations. SBEUS has agreed to perform the work at Metro's standard rates.

The following is a summary of the SSC's rankings/scores for this procurement.

		Average Score	Factor Weight	Weighted Average Score	Rank
1	FIRM				
2	HSW Services				
3	Prime Consultant Qualifications (Skills and Experience)	98.00	35.00%	34.30	
4	Effectiveness of Management Plan/Understanding of Work and Appropriateness of Approach for Implementation	96.30	35.00%	33.70	
5	Cost Proposal	100.00	30.00%	30.00	
6	Total		100%	98.00	1

7	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
8	SBEUS				
9	Prime Consultant Qualifications (Skills and Experience)	99.80	35.00%	34.93	
10	Effectiveness of Management Plan/Understanding of Work and Appropriateness of Approach for Implementation	94.50	35.00%	33.08	
11	Cost Proposal	99.43	30.00%	29.83	
12	Total		100%	97.84	2

C. Cost/Price Analysis

Respondents provided billing rates for various specified certification services as required in the RFIQ. Based on those submitted rates, Metro established billing rates to be used for all qualified firms. Metro’s billing rates have been determined to be fair and reasonable based on adequate competition.

D. Background on Recommended Contractors

HSW Services, located in Costa Mesa, CA has been in business for 20 plus years. Marilyn White the owner and key personnel has conducted over 1500 DBE certifications as a private certification firm. The firm has satisfactorily performed 3 DBE certification projects with Metro from June 2011 to June 2012.

SBEUS owned by Tina Giles-Potter is a sole proprietorship located in Placentia, CA. Ms. Giles-Potter has over 14 years experience in providing support and administration for disadvantaged, small, minority and women-owned programs. Tina possesses an extensive knowledge of federal regulations and has satisfactorily performed certifications for Metro.

E. Small Business Participation

DEOD established a 25% Small Business Enterprise (SBE) goal for this multiple award project. The Proposers made SBE commitments as certified SBE primes.

HSW Services

	DBE/SBE Subcontractors	% Committed
1.	HSW Services (SBE Prime)	100%
	Total Commitment	100% SBE

SBEUS

	DBE/SBE Subcontractors	% Committed
1.	SBEUS (SBE Prime)	100%
	Total Commitment	100% SBE