

**MOTION BY:**

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**MAYOR ERIC GARCETTI, DIRECTOR JACQUELYN DUPONT-WALKER,  
SUPERVISOR DON KNABE, & SUPERVISOR HILDA SOLIS**

**Operations Committee Meeting**

January 15, 2015

**Item 45: Maximizing Competition & Expanding Opportunities for Small Business Participation**

MTA needs to lead in competitive bidding and maximize opportunities for small and disadvantaged businesses.

An analysis of the past five years of MTA's formal solicitations shows that 88% of those solicitations met MTA's goal for "adequate competition."

Although the Federal Transit Administration's (FTA) definition for adequate completion is two or more proposals/bids, or single proposals/bids under very specific circumstances, MTA should strive to achieve adequate competition by obtaining two or more bids.

However, since Fiscal Year 2013, the portion of solicitations with two or more bids/proposals is falling.

In FY13, 92% of solicitations had two or more bids. In FY14, The portion of solicitations with two or more bids/proposals fell to 87% in FY14 and 83% in FY15 so far.

In particular, solicitations for Inventory, Maintenance, and Professional Services contracts suffer from lower rates of two or more bids/proposals.

MTA recognized this falling trend, and is taking steps to correct it and reach a long-term goal of 99% adequate competition, including an online Vendor Portal, 12-Month Look Ahead, internal procurement User Manual, ongoing training for MTA staff, streamlining terms and conditions, and using adequate competition as a key performance indicator.

However, more can be done to increase competition in MTA's formal and informal solicitations.

At MTA, an informal solicitation/simplified procurement is any procurement under \$100,000 in contract value, based on what is authorized by the FTA.

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Under current procedures, MTA does not post informal solicitations on the MTA website, locking out many Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) businesses from the opportunity to compete for smaller contracts as primes.

The Orange County Transportation Authority, Southeastern Pennsylvania Transportation Authority, Sound Transit, and Houston Metro all post informal procurements on their respective websites.

Furthermore, MTA may have the ability to make SBE commitments a condition of award for Request For Proposal solicitations.

WE, THEREFORE, MOVE that the Board instruct the CEO to:

1. Develop specific recommendations for increasing competition for Inventory, Maintenance, and Professional Services solicitations.
2. Consult with the FTA on whether the definition of adequate competition should have a higher threshold.
3. Examine the suitability of posting MTA's informal solicitations on the MTA website.
4. Examine the feasibility of mandatory goals for Request For Proposals subject to Metro's SBE Program.
5. Report back to the Operations Committee in 60 days on the above.

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