



GLOSSARY OF TERMS

B

BAFO (Best and Final Offer) – The final contract amount negotiated between the agency and the contractor.

Blackout Period – The period when prospective bidders or proposers are prohibited to communicate in any way with the contracting agency as it could be deemed to be intended to influence a procurement decision (i.e., award of the contract). At Metro, this period runs from when the procurement is officially advertised to ultimate contract award and approval. During this period, bidders and proposers can only speak with the assigned Metro Contract Administrator for the project.

C

Caltrans (California Department of Transportation) – The State of California's Department of Transportation (Caltrans) which is responsible for the design, construction, maintenance, and operation of the California State Highway System, as well as that portion of the Interstate Highway System within the state's boundaries. Alone and in partnership with Amtrak, Caltrans is also involved in the support of intercity passenger rail service in California, and is a leader in promoting the use of alternative modes of transportation. The current framework of Caltrans was set down by Assembly Bill 69 in 1972.

CAs (Contract Administrators) – Metro Procurement staff that is responsible for purchasing goods and services from vendors, contractors and subcontractors.

CCP (Construction Career Policy) – A Metro policy that encourages construction employment and training opportunities in ways calculated to mitigate the harms caused by geographically concentrated poverty and unemployment in economically disadvantaged areas and among disadvantaged workers throughout the United States. This policy identifies the minimum efforts contractors performing on covered Metro construction projects must make to comply with this policy.

CEQA (California Environmental Quality Act) – A statute that requires all jurisdictions in the State of California to evaluate the extent of environmental impact due to a proposed development or project. Often pronounced "SEEQUA."

Certification – A designation by Metro and other agencies that certifies companies as small businesses. Metro currently accepts the certifications listed below. Applicants going through Metro can apply for SBE and DBE certification simultaneously.

DBE Certification – either through the CUCP (California Unified Certification Program) or through Metro.

SBE Certification – only through Metro. Companies must be certified as an SBE using the Metro application, no other SBE certifications will be accepted.

DVBE Certification – through the California Department of General Services (DGS)

For more information on Certification, go to metro.net/connect and click on "Certifications."

Contracting, Outreach and Mentorship Program Protégé (COMP) – All RFPs and IFBs for projects with an estimated cost of more than \$25 million now require Contracting Outreach and Mentoring Plan (COMP), including comprehensive Outreach Mentor Protégé plans (sized focused Tier Programs for SBE projects only).

CUF (Commercially Useful Function) – Firms must carry out at least 30% of the total cost of the contract – actually performing, managing or supervising the work involved with its own work force. SBE firms bidding/proposing on Metro Small Business Prime contracts as a prime contractor must perform a CUF on the contract.

D

DBE (Disadvantaged Business Enterprise) – A company is a DBE if it falls under the following general guidelines: the annual gross receipts are less than \$22.41 million, the personal net worth of each owner is less than \$1.32 million – excluding the equity in his or her primary residence, the company is an independent business, not a subsidiary and it is a for-profit business.

Additionally, at least 51% of the company must be owned by one or more individuals that belong to one of the following socially and economically disadvantaged groups: African Americans, Hispanics, Native American, Asian Pacific Islanders, Subcontinent Asian Americans and Women.

DBE Certification – See Certification



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DBE Goal – Metro’s overall DBE goal for Federal Fiscal Years 2013-2015 is 27%. Based on the disparity findings (see Disparity Study), 20.89% of the overall DBE goal will be met by race and gender-conscious measures, and the remaining 6.11% will be met through race and gender-neutral measures. The race-conscious goal will be set on a contract-by-contract basis for prime contracts with subcontracting opportunities.

DEOD (Diversity & Economic Opportunity Department) – A department at Metro tasked with implementation and oversight over Metro’s vast array of small business programs. Its goal is to increase the number of certified small businesses, the number of contracts awarded to small businesses, and, ultimately, to help small business grow and move to the next level.

DEOD’s responsibilities includes – among other things – gathering data and producing reports for each program, conducting outreach and publicizing contracting opportunities, providing resources and assistance to small businesses so they are ready and able to compete successfully for contracts, setting SBE and DBE goals on applicable contracts, and monitoring compliance by prime contractors and internally at Metro.

Design/Build – A way Metro builds construction projects whereby the design and construction aspects of a project are contracted for with a single entity known as the design-builder or design-build contractor. This system minimizes the risk for Metro and reduces the delivery schedule by overlapping the design phase and the construction phase of a project.

Disparity Study – A disparity study evaluates the contracting practices of government agencies, particularly as they apply to the utilization of minority and women-owned business enterprises, and determines whether minority and women-owned business enterprises received contracts at the level the ethnic and gender groups are available in the market area.

Metro’s Disparity Study – A study conducted by Metro that sought to determine whether Metro had a compelling interest in reinstating the race-conscious portion of its DBE Program. A DBE Program can only have a race-conscious goal if a statistically significant disparity is found for the ethnic and gender groups to be included in the Program.

The study period was from January 1, 2008 to December 31, 2011. The findings revealed statistically significant disparities for businesses owned by African Americans,

Asian-Pacific Americans, Subcontinent Asian Americans, and Hispanic Americans and significant underutilization of Native Americans. Therefore, the race-conscious portion of the overall DBE Goal can be met by African Americans, Asian-Pacific Americans, Asian Americans, Subcontinent Asian Americans, Native Americans, and Hispanic Americans.

Metro’s overall DBE goal for Federal Fiscal Years 2013-2015 is 27%. Based on the disparity findings, 20.89% of the overall DBE goal will be met by race and gender-conscious measures, and the remaining 6.11% will be met through race and gender-neutral measures. The race-conscious goal will be set on a contract-by-contract basis for prime contracts with subcontracting opportunities.

DVBE (Disabled Veterans Business Enterprise) – A company is a DVBE if the business is at least 51% owned by one or more disabled veterans, and if the daily business operations are managed and controlled by one or more disabled veterans.

DVBE Certification – see Certification

E

EIR (Environmental Impact Report) – A detailed report required under the California Environmental Quality Act (CEQA) describing and analyzing the significant environmental effects of a proposed project, identifying alternatives and discussing ways to reduce or avoid the possible environmental impacts.

EIS (Environmental Impact Statement) – A full disclosure document required under the National Environmental Policy Act that details the process through which a transportation project was developed, includes consideration of a range of reasonable alternatives, analyzes the potential environmental impacts resulting from the alternatives, and demonstrates compliance with other applicable environmental laws and executive orders.

F

Formal Procurements – Contracts valued at \$100,000 and higher. Solicitations for formal procurements must be advertised and require bids or proposals from at least three companies.

FTA (Federal Transit Administration) – The agency of the Federal Government which provides funding for national policy, technical assistance, and transit programs.



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H

How to Do Business with Metro Workshop – A two-hour orientation and business workshop presented by DEOD that is held on the second Tuesday of each month providing firms with information on Metro’s certification program, vendor registration, contract look-ahead schedules, and an opportunity to network with other businesses. Metro’s procurement staff conducts one-on-one interviews with firms at the beginning of each workshop. The workshops are presented by DEOD.

I

IFB (Invitation for Bid) – Used when there is a clear understanding of the project requirements, scope of work and technical specifications. Selection of a winning bid is based on price alone, i.e. the lowest price.

Informal Procurements – Contracts valued between \$3,000 and \$100,000. Solicitations for informal procurements need not be advertised but still require three bids from qualified firms.

L

LACMTA – Los Angeles County Metropolitan Transportation Authority (Metro).

LADOT – Los Angeles Department of Transportation.

LRT (Light Rail Transit) – The Metro Rail system is an example of a light rail transit system.

LRTP (Long Range Transportation Plan) – Metro’s plan to assess future population increases projected for the county and what such increases will mean for future mobility needs. The plan recommends what can be done within anticipated revenues, as well as what could be done if additional revenues became available. The 2009 LRTP is an update to the 2001 Long Range Transportation Plan for future transportation investments in Los Angeles County through 2040.

M

Measure R – A sales tax initiative approved by Los Angeles County voters in 2008. Measure R established a one-half cent sales tax to be used for public transportation purposes, ending in 2039.

Measure R Projects – Funded in whole or in part:

RAIL PROJECTS:

- > Airport Metro Connector
- > East San Fernando Valley Transit Corridor
- > Eastside Transit Corridor Phase 2
- > Expo Transit Corridor, Phase 2 to Santa Monica
- > Crenshaw/LAX Transit Project
- > Gold Line Foothill Extension
- > Purple Line Extension
- > Regional Connector Transit Project in Downtown Los Angeles
- > Sepulveda Pass Corridor
- > South Bay Metro Green Line Extension
- > West Santa Ana Transit Corridor

HIGHWAY PROJECTS:

- > Alameda Corridor East Grade Separations Phase II
- > Burlington Northern Santa Fe Grade Separations in Gateway Cities
- > Countywide Soundwall Construction
- > High Desert Corridor
- > Highway Operational Improvements in Arroyo Verdugo Subregion
- > Highway Operational Improvements in Las Virgenes/ Malibu Subregion
- > I-405, I-110, I-105, SR-91 Ramp/Interchange Improvements: South Bay
- > I-5/Carmenita Road Interchange
- > I-5 N Capacity Enhancements: SR-14 to Kern County Line
- > I-5 Widening and HOV: I-605 to Orange County Line
- > I-5/SR-14 HOV Direct Connector
- > I-605 Congestion (Hot Spot) Interchanges
- > I-710 Corridor Project
- > SR-138 Capacity Enhancements
- > SR-710 North Study

Meet the Buyers & Program Managers – An event presented by DEOD where small business owners can meet and dialogue with Metro Buyers and Program Managers regarding upcoming procurement opportunities and SBE participation. Held annually in June.



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Meet the Primes – An event presented by DEOD where small businesses can meet and network with prime contractors who typically need and utilize small businesses as subcontractors for Metro projects. Held annually in March.

Metro Connect – Metro’s renewed commitment to the growth and success of small businesses. Metro Connect aims to increase opportunities for small businesses through various efforts that provide greater access and transparency, a level playing field, streamlined procurement processes and improved communications.

Metro Connect Calendar – A listing of outreach events for small businesses being held throughout the Metro service area including Metro sponsored events.

Multimodal – Public transportation system which employs a combination of highway, bus, rail, high occupancy vehicles, bikeway, pedestrian land use and demand management systems. Metro is a multimodal transportation agency.

N

NAICS Codes – Often pronounced “NAKES”, the North American Industry Classification System is the standard used by Federal statistical agencies in classifying businesses for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

Metro uses NAICS codes for SBE certification to determine a company’s specific area of expertise. NAICS codes are a critical component of Metro’s Set-Aside Program, as they are used to match procurements with Metro’s certified SBEs to determine if there are three or more small businesses available to perform the work.

NTP (Notice to Proceed) – Official document issued by contracting agency to contractor giving permission to begin work on a contract.

P

PLA (Project Labor Agreement) – A Metro policy that encourages employment and training opportunities to those who reside in economically disadvantaged areas on Metro construction projects. The agreement applies to certain local (non-federally) funded and federally funded construction projects with a construction value greater than \$2.5 million. Metro’s PLA is unique in that Metro is the first transit agency in the nation to adopt such an agreement with national targeted hiring goals for federally funded projects with FTA approval. The PLA requires 40% participation of construction workers residing in economically disadvantaged areas, 10% participation of disadvantaged workers, and a 20% participation of apprentices.

Pre-Bid Conference – A conference held several weeks before bids or proposals are due where firms interested in the project are briefed on the project, can ask questions of procurement staff, and can meet other firms for partnering opportunities.

Pre-Qualification – California Public Utilities Code §130051.21 and Ordinance #4-05 of Metro’s Administrative Code requires firms to be pre-qualified prior to doing business with Metro if their bid or proposal will exceed \$100,000. The application covers areas such as company history, experience, financial status and general business integrity. The pre-qualification process includes verifying the information provided on the application and searching public records and the company’s credit history using Experian or similar database.

Primes or Prime Contractors – An individual or business that enters into a contract with another individual or business entity to complete a project for a certain price. Work by prime contractors includes electrical jobs, road construction and general construction. The prime contractor can divide the project up between smaller subcontractors that have expertise in certain areas. An SBE, DBE or DVBE can be a prime contractor.

Procurements – The purchase of goods and services at the best possible prices, delivery dates and legal terms. See also Formal Procurements and Informal Procurements.



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R

RFP (Request for Proposal) – Used in cases where the specific requirements and technical specifications of a project are of a functional nature or unclear, and provide a guideline for potential offerers to use in preparing a bid/proposal. Selection of a winning proposal is based primarily on the experience, qualifications and personnel of the company. The price quote is a secondary factor.

RFIQ (Request for Interest and Qualifications) – Are used for engineering, architectural and related services contracts, and consider only technical factors and qualifications in the evaluation process.

RFQ (Request for Quotations) – Are used for procuring materials, equipment and supplies, and some types of professional services (i.e., word processing, graphics). The winning bid is based on price alone, i.e. the lowest price.

RTP (Regional Transportation Plan) – A comprehensive 20-year plan for the region, updated every four years by the Southern California Association of Governments. The RTP includes goals, objectives and policies; and recommends specific transportation improvements.

S

Salute to Small Business – Acknowledgement event presented by DEOD to recognize successful small businesses, exemplary prime contractors and small business advocates and ambassadors. Held during Small Business Month in May.

Small Business Administration (SBA) – Federal agency that provides support to entrepreneurs and small businesses. Its mission is “to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.” The agency’s activities are summarized as the “3 Cs” of capital, contracts and counseling.

SBE (Small Business Enterprise) – A company is an SBE if it falls under the following general guidelines: the annual gross receipts are less than \$22.41 million, the personal net worth of each owner is less than \$1.32 million – excluding the equity in his or her primary residence, the company is an independent business, not a subsidiary and it is a for-profit business.

SBE (Small Business Enterprise) Program – A program at Metro whose purpose is to ensure that SBEs have the maximum opportunity to participate in Metro contracts – either as a prime contractor or as a subcontractor. The program is race and gender neutral.

SBE Goal – Metro’s overall SBE Goal is 30% for non-federally funded contracts and procurements.

Sealed Bids – A cost estimate for a service or product, the value of which is kept secret (sealed) from competitors until all such bids have been made. Typically, the contract is awarded to the responsible bidder submitting the lowest responsive bid. This type of bidding is commonly used on public works projects.

Set Aside (refer to SB Prime Program) – A program at Metro whose purpose is to ensure that SBEs have the maximum opportunity to participate in Metro contracts – either as a prime contractor or as a subcontractor. The program is race and gender neutral.

Small Business (SB Prime) Program – A program that sets aside certain contracts for bid only by small businesses. Metro’s Small Business Prime Program enables small businesses to compete as prime contractors and only against other small businesses. Only SBEs certified with Metro can participate in the Small Business Prime Program.

Socially and Economically Disadvantaged Groups – African Americans, Hispanics, Native Americans, Asian Pacific Islanders, Subcontinent Asian Americans and Women.

Subcontractor – Generally a smaller company that is hired by a prime contractor to perform a specific job or service within their field of expertise, usually for a large project. There often are many subcontractors on large projects.

T

Transportation Business Advisory Council (TBAC) – Advises Metro and DEOD on matters concerning small businesses. Meets the first Thursday of every month (except August) in the Metro Board Room, Gateway Plaza.