



Metro

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Metropolitan Transportation Authority

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April 2020

TO PRIME CONTRACTORS/SUBCONTRACTORS

The following information will clarify methods to better keep in touch with you, our valued partners. Metro remains committed to small business inclusion during these unprecedented times. As we move forward together, we can accomplish our mutual goals on behalf of those we serve. In light of the COVID-19 public health emergency, the Diversity and Economic Opportunity Department's (DEOD) Small Business Programs offers the following guidance:

Metro DEOD has established the following email inboxes to assist you with small business compliance requests:

- **Small Business Compliance Inquiry** (SBCComplianceInquiry@metro.net) – use this inbox for any contract compliance request (i.e. prompt payment issues, subcontractor activity, small business complaints, utilization, substitution/termination requests, return of retention, crediting issues, Requests to Add subcontractors, etc.). Metro staff is available for intake and review and will acknowledge receipt of your request.
- **DEOD B2GNow Support** (DEODB2GNowSupport@metro.net) – use this inbox for any questions regarding the Small Business Reporting System (B2GNow) (i.e. payment reporting, incorrect contract information, audit unlocking, document uploading, etc.).

Utilization

Contractors are reminded of their DBE/SBE/DVBE contract commitments to subcontractors included on the prime's bid/proposal submitted to Metro, at the time the team was selected, and a contract was awarded. Subcontractors must be kept on the team and equitably utilized unless the subcontractor is not able to provide the services committed to. Contractors must notify Metro DEOD and receive prior Metro DEOD approval, before self-performing any work committed to listed DBE/SBE/DVBE firms.

Prompt Payment

The Contractor must continue to comply with the Prompt Payment per the contract terms. The Contractor shall pay each subcontractor under its contract for satisfactory performance of its Work no later than to 7 days after receipt of each Progress Payment received from LACMTA. Subsequently, subcontractors, must pay its subcontractors within 7 days (at all tier levels). Any delay or postponement of prompt release of retention beyond the 7-day time limit shall be for good cause, and only upon prior written approval by Metro.

- Included with this communication is the Prompt Payment University PowerPoint presentation conducted by Metro staff from DEOD and VCM that details the prompt payment requirements and the rights of subcontractors

Release of Retention (for Construction)

Contractors withholding a subcontractor's retention until the end of the project is not permitted. Retention must be released upon completion of all subcontractor's work. Contractors must inspect the subcontractor's work and if accepted, notify Metro's Project Manager for inspection. When Metro and the Contractor, at any tier, have made an incremental acceptance of a portion of a subcontractor's work, at any tier level, the work of the subcontractor covered by that acceptance is deemed to be satisfactorily completed. After Metro's acceptance, the Contractor must release

retention within 7 days. Subcontractors must submit acceptable documentation to the Contractor to assure accepted work and payment.

Termination/Substitution Requests

Contractors must continue to apply the termination/substitution requirements. No Contractor, at any tier, may terminate a DBE/SBE/DVBE subcontractor for convenience and then perform that work with its own workforce or that of its affiliate. Contractors must still demonstrate good cause to justify terminating a DBE/SBE/DVBE with committed work on a project. If a Contractor determines it must terminate a DBE/SBE/DVBE, the Prime must notify the DBE/SBE/DVBE in writing (with a copy to Metro) that it intends to terminate and lists cause(s). The notification must afford the DBE/SBE/DVBE five days to respond. Only after this process occurs can the Contractor request from Metro to terminate/substitute the DBE/SBE/DVBE. The Contractor must make good faith effort to substitute the value of the DBE/SBE/DVBE participation. The Contractor must obtain Metro's written consent prior to making any termination/substitutions.

Commercially Useful Function (CUF) Reviews:

For a Contractor to count the DBE/SBE/DVBE firm's work toward the commitment, the DBE/SBE/DVBE firm must be performing a commercially useful function or CUF on the project. To ensure that each DBE/SBE/DVBE firm is performing a CUF, Metro must monitor contract activity and certify in writing that DBE/SBE/DVBE firms are performing a CUF. Metro will continue to conduct CUF reviews. However, in light of COVID-19, Metro may use alternative methods, such as asking DBE/SBE/DVBE firm owners and prime contractors to electronically submit key contracting records, such as payrolls, invoices, or electronic communications, when conducting CUF reviews. DEOD Compliance Staff may also be using computer, tablet, and mobile device technologies, such as FaceTime, Skype, GoToMeeting, Zoom, and other similar telecommunication applications, to interview firm owners/key personnel and take virtual tours of job sites. If you are contacted regarding a CUF review, we ask that you comply.

Metro Connect

To access tools and resources that are designed to support your business' growth, such as networking events, an online Toolkit, certification information, and to view current contracting opportunities or visit the 12-Month Look Ahead page to see future opportunities, click the link: http://business.metro.net/VendorPortal/faces/home/smallBusinessTools/metroConnect?_adf.ctrl-state=1b0cr16m6i_26&_afLoop=316415947286583

Transportation Business Advisory Council (TBAC):

Metro's Transportation Business Advisory Council (TBAC) hosted an on-line small business resource webinar at its April meeting. The meeting provided information and programs available to support small businesses during this current pandemic which is negatively impacting businesses, especially small businesses.

Click here to view the agenda/handouts from April's [General Meeting, TBAC Zoom Video Recording, TBAC Zoom Audio Recording](#). Additional TBAC information and resources can be viewed at the Metro Connect link provided above.

In closing, if any of this information raises questions that we have not addressed, please contact us. Our commitment is unwavering, and we succeed by working together with mutual respect.

Thank you for your continued support and cooperation.