



Metro


Los Angeles County
Metropolitan Transportation Authority


One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

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TO: BOARD OF DIRECTORS

THROUGH: ARTHUR T. LEAHY 
CHIEF EXECUTIVE OFFICER

FROM: MICHELLE LOPES CALDWELL 
CHIEF ADMINISTRATIVE SERVICES OFFICER

SUBJECT: METRO'S SMALL BUSINESS PROGRAM

ISSUE

During the June Construction Committee meeting, the Directors requested that staff meet with small business groups to discuss their ideas and concerns about increasing small business participation in Metro contracting.

DISCUSSION

Metro continues to make improvements to the Small Business Program, most recently with Board adoption of the FY13 annual overall goal of 30%. Current participation is 23.24% which is better than the previous year participation of 9.01%.

Following the Board's direction, Diversity and Economic Opportunity and Procurement staff have improved communications with small businesses through increased dialogue with the Transportation Business Advisory Council (TBAC). Ideas that have come from these discussions include development of a 60-day contract look-ahead presented orally at TBAC and posted on the Metro website, procurement industry review meetings followed by organized "Meet and Greet" events to provide access for small businesses to the Prime Contractors, and presentations by Metro project managers at the monthly "How To Do Business with Metro" workshops.

The small business preference program was presented to TBAC at the September meeting. This program provides price evaluation incentives to Bidders and Proposers of locally funded projects, by reducing the evaluated price by 5% for contractors that meet or exceed the SBE goal by subcontracting with SBE firms. The feedback on the program was very positive; language has been developed and will be included in all locally funded IFB's and RFPs.

Some TBAC members continue to express concern about prime contractors continually using the same subcontractors and not reaching out to new or different subcontractors. We believe the small business preference program will create positive incentives for prime contractors to increase the use of small business firms in locally funded projects.

Other ideas that have come from TBAC include requiring Metro to set SBE goals on call-for-project grants and modifying RFP evaluation criteria to place less emphasis on years of experience making it easier for newer firms to get contracts. TBAC maintains an action item list for ideas for Metro staff to pursue and to report back on progress each month.

DEOD staff also continues to participate in outreach events to encourage additional businesses to become Metro certified SBEs. The California Construction Expo held during the last quarter is a major opportunity for Metro to interact with small businesses, talk about upcoming business opportunities and encourage certification.

NEXT STEPS

Metro will continue to increase small business participation on all Metro contracts through broadening discussions and proactively seeking opportunities for small business contracting.