




May 24, 2001


Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

TO: BOARD OF DIRECTORS

FROM: COLONUS MITCHELL 
EXECUTIVE OFFICER, PROCUREMENT

**SUBJECT: SMALL BUSINESS PARTICIPATION REPORT ON
ENVIRONMENTAL ENGINEERING SERVICES,
CONSTRUCTION MANAGEMENT SERVICES AND GENERAL
ENGINEERING CONSULTANT CONTRACTS**

ISSUE

This report is submitted as directed by Director Jose Legaspi in the March 2001 Construction Committee meeting, following discussions and approval to award the General Engineering Bench (GEC) for a five (5) year contract period. Director Jose Legaspi expressed concern over possible adverse impact to DBE performance and DBE commitments when awarding contracts with overall goals, over extended contract periods. Director Legaspi also indicated that the imminent change in administration of the MTA Board and the office of the Chief Executive Officer could be critical to the administration of contracts, and achievement of DBE participation commitments on contracts previously awarded.

BACKGROUND

In earlier years, blanket goals were established on professional service contracts depicting small business availability and scope of work. Work on these contracts is generally performed according to Contract Work Orders (CWO) or Task Orders (TO). At the time of award, expenditures and schedules are undetermined. Subcontractors are listed according to work performed without specific percentages or dollar commitments indicated. In monitoring compliance with the program requirements on CWO/TO contracts, the Prime Consultant is expected to utilize DBE/SBE firms exclusively in the disciplines listed.

The Prime's compliance with the contract specific goal and small business program requirements is evaluated over the life of the project. Responsiveness to the overall project goals established on bench projects is based on the aggregate attainment and participation percentages achieved by all bench participants.

Attached is a historical review of small business participation on CWO/TO contracts. The report suggests that timing, frequency and types of services required when CWO/TO's are issued impacts utilization and participation levels more directly than

length of contract period. Circumstances such as changes in subcontractor availability are common when contracts extend over lengthy periods and activity wanes. On Environmental Engineering Services contracts, specificity of work may differ according to conditions encountered, scope of work is reduced and listed subcontractors may not be utilized to the level anticipated.

The decision to suspend Red Line, Mid Cities, Eastside Extension and Pasadena rail activity adversely impacted achievement of participation commitments on many of the previous rail related contracts.

NEXT STEPS

SBD continues to monitor contracts for compliance with the small business program requirements. Currently, contract compliance with small business commitments is determined by desk audits and verification of subcontractor monthly payments. Requests for good faith efforts from Prime Contractors/Consultants are routine throughout the contract life, when progress in meeting participation commitments is low.

The Outreach Unit of the Department of Small Business Diversity and Labor Compliance has responsibility to design and implement outreach strategies to increase small business participation on MTA contracts. Targeted outreach events on major procurements, such as the GEC Bench, are planned regularly to provide networking opportunities for the local business community.

Continuous liaison with members of the reinvigorated Transportation Business Advisory Council (TBAC) directly links MTA to the small business community and provides the opportunity for the MTA to receive feedback and counsel on small business matters.

Internal and external training designed to change the procurement culture and buy-in of “shared responsibility” to support MTA small business policy and commitment is ongoing.

Attachment

CM.CB/01-014

HISTORICAL REVIEW OF SMALL BUSINESS PARTICIPATION

Environmental Engineering Services

| Contract # | Award Date | Contract Years | Award Amount | % Committed | % Attainment ¹ | % Participation ² |
|------------|------------|----------------|--------------|-------------|---------------------------|------------------------------|
| EN060 (c) | 2/20/97 | 5 | \$ 1,428,000 | 11.0% | 11.6% | 11.6% |
| EN025 (c) | 4/93 | 5 | \$ 1,771,000 | 35% | 26.35% | 28.01% |
| EN026 (c) | 1/93 | 5 | \$ 480,000 | 35% | 17.17% | 17.26% |
| EN027 | 4/93 | 5 | \$ 5,302,066 | 35% | 45.14% | 45.49% |
| EN028 | 10/93 | 5 | \$ 160,000 | 35% | 28.49% | 28.49% |
| EN030 (c) | 3/31/93 | 5 | \$14,498,539 | 35% | 20% | 21.59% |
| EN031 (c) | 4/93 | 5 | \$ 553,683 | 35% | 31.08% | 40.73% |
| EN032 | 8/13/93 | 5 | \$ 74,288 | 35% | 56.75% | 42.22% |
| EN041 (w) | No Goal | ---- | ---- | ---- | ---- | ---- |
| EN068 | 12/10/99 | 5 | \$ 3,037,493 | 25% | 5.15% | 43.86% |
| EN069 | 12/29/00 | 5 | \$ 4,000,000 | 30% (CWO) | No Activity | No Activity |
| E0060 | 12/15/93 | 2 | \$ 3,290,160 | 40% | 29.60% | 25.13% |

Construction Management Services

| Contract # | Award Date | Contract Years | Award Amount | % Committed | % Attained | % Participation |
|--------------------------|-------------------|----------------|---------------|----------------------------|--------------------------|--------------------------|
| CM001 (c) | 4/98 | 2 | \$ 8,324,634 | 65.57% | 63.30% | 63.30% |
| CM002 (w) | 4/98 | 2 | \$ 720,000 | 100% (DBE Prime) | 100% | 100% |
| MC020 | 4/1/93 | 5 | \$ 1,059,408 | 25% MBE 5% WBE | 11.64% (M) 7.08% (W) | 13.57% (M) 8.24% (W) |
| MC021 (c) (MBE Prime) | 5/5/93 | 5 | \$ 1,201,010 | 25% MBE 10% WBE | 80% (M) 13% (W) | 81% (M) 14% (W) |
| 3369 (Seg. 1&2, R89) | 6/29/84 5/1/91 | Ongoing | \$131,085,157 | 20% | 41% | 41.33% |
| 3369 (Seg 3) | 10/27/93 | Ongoing | \$ 15,000,000 | 26% | 20.99% | 22% |
| MC047 | 10/25/95 | 5 | \$ 55,381,438 | 32.60% | 33.95% | 33.51% |
| MC056 | 12/13/99 | 3 | \$ 3,695,000 | 10% | 5.74% | 8.41% |
| MC057 | Not Yet | Awarded | | | | |
| MC025 | 3/30/95 | 3 | \$ 1,993,839 | 21.3% MBE 5.6% WBE | 21.1% (M) 6.75% (W) | 22.0% (M) 7.04% (W) |
| MC022 (c) | 4/93 | 5 | \$ 300,000 | 12.5% MBE 10% WBE (CWO) | 22.89% (M) 74.25% (W) | 23.56% (M) 76.43% (W) |
| MC013 | 12/15/93 | 5 | \$ 19,853,014 | 41.60% MBE 10.70% WBE | 32.72% (M) 10.12% (W) | 39.85% (M) 12.32% (W) |

General Engineering Services

| Contract # | Award Date | Contract Years | Award Amount | % Committed | % Attainment | % Participation |
|------------|------------|----------------|---------------|-------------|--------------|-----------------|
| E0111 | 4/01 | 5 | \$ 12,500,000 | 30% (CWO) | No Activity | No Activity |
| E0070 | 5/1/92 | 5 | \$103,566,682 | 27% | 20.67% | 23.59% |
| E0090 | 3/23/94 | 5 | \$ 4,464,431 | 17% | 20.43% | 20.65% |

c=closed, w=no goal

¹ Attainment = Dollars Paid to Date to Subs ÷ Award Amount

² Participation = Dollars Paid to Date to Subs ÷ Dollars Paid to Date to Prime

Paul Muldon