



**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
JUNE 15, 2006**

**SUBJECT: MEMORANDUM OF UNDERSTANDING (MOU) NUMBER TCP2610LASD
WITH LOS ANGELES COUNTY SHERIFF'S DEPARTMENT FOR TRANSIT
COMMUNITY POLICING SERVICES**

**ACTION: EXERCISE FIRST OPTION YEAR OF MOU AND MODIFY MOU NOT-TO-
EXCEED AMOUNT FOR FY07 TRANSIT COMMUNITY POLICING
SERVICE LEVEL**

RECOMMENDATION

Authorize the Chief Executive Officer to:

- A. Exercise the first of two option years related to Memorandum of Understanding (MOU) No. TCP2610LASD and;
- B. Execute Modification No. 7 to that MOU to provide funding for FY07 transit community policing services in the amount not-to-exceed \$59,480,120, revising the Total Contract Value from \$164,252,291 to \$223,732,411 for the period July 1, 2006 through June 30, 2007.

RATIONALE

In February 2003, the Board approved a funding level for the Los Angeles County Sheriff's Department (LASD) in the amount not-to-exceed \$55,081,812. This amount included the FY04 funding level of \$47,212,982, \$4,148,995 for two months of services in FY03, and \$3,719,835 in start-up capital costs. Because the LASD was able to ramp up more rapidly in the first two months than had been anticipated initially, ensuring that the highest level of security continued into the new contract period, invoiced amounts actually reached \$6.2 million. Further, capital costs were negotiated to be paid in three equal installments of \$1.2 million each. The first was due in May 2003, the second in July 2004, and the third in July 2005.

For FY04, staff was successful in negotiating a service level amount of \$51.9 million, \$3.2 million less than the \$55.1 million authorized by the Board but inclusive of the first \$1.2 million capital payment and the \$6.2 million. For FY05, staff negotiated a service level amount of \$51.5 million which included the second capital payment, 60 additional security

assistants and related supervision and clerical support and a security detail to provide enhanced coverage at the Union Station complex.

For FY06, the negotiated amount totaled \$58.9 million, inclusive of the third and final \$1.2 million capital payment and \$4.7 million for the Orange Line. The Orange Line allotment covered the provision of 26 Orange Line deputies and 12 security assistants and also included a capital component of \$686,090 for additional cars and related equipment required for personnel working the new line.

Additionally, in FY05 Metro received a \$1.5 million grant from the federal government for project management, development and national distribution of a training program for non-sworn security personnel in acts of terrorism related to Weapons of Mass Destruction. LASD personnel were tasked, in combination with a consultant, with various duties related to the program and its curriculum. Total LASD grant-related costs of \$600,000 were added to its contract, bringing the total FY06 budgeted amount to \$59.5 million and FY06 total contract value to \$164,252,291.

For FY07 the recommended budget funding level amount is \$59.5 million, a 4% increase over the net FY06 budgeted amount (after reduction for the \$1.2 million final capital payment and the \$686,090 Orange Line capital payment). This funding level, which is included in the County of Los Angeles FY 2006-07 budget and has been agreed to by both Metro and LASD, will be reduced in monthly billings by \$1.5 million attributable to vacancy savings. This reduction will aid Metro in reaching its FY07 budget targets.

Since the FY07 recommended budget amount reflects a smaller increase than what LASD originally proposed, the number of service units to be provided by LASD will have to be adjusted. The department is currently revising the number and type of service units to be recommended to Metro management for deployment across the transit system. Management will work with LASD to ensure that service units will be deployed in such a way as to maintain the highest level of safety and security possible for patrons and employees while maintaining budget integrity.

POLICY IMPLICATIONS

In July 2002 the Board adopted a comprehensive Security Policy addressing several aspects of the provision of law enforcement and security services to Metro patrons, employees and property. One of its goals was to bring Metro's law enforcement and security costs in line with comparable costs of other transit agencies and to target Metro enterprise fund-related security costs at 5% of the total operating expenditures. As a result of the State Budget Crisis, certain areas within our budget were reduced. However, security is important to maintain a safe and viable transportation system.

FINANCIAL IMPACT

The funding of \$57,980,120 for this contract modification is included in the FY07 proposed budget in cost center 2610, Transit Security. This figure reflects a \$1,500,000 reduction for anticipated vacancy savings. As stated previously, the recommended amount includes a 4%

net increase in the FY06 contract amount. Since this is a multi-year contract, the Project Manager and Deputy Chief Executive Officer will be accountable for budgeting the cost in future years, including any options exercised.

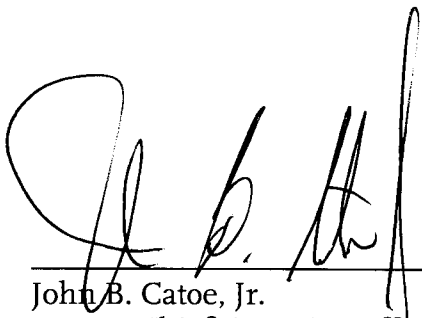
ALTERNATIVES CONSIDERED

No alternatives were considered. The LASD currently serves as Metro’s contract agency for the provision of law enforcement services and is able to provide, on short notice, the requested personnel.


ATTACHMENTS

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

Prepared by: Carolyn Flowers, Executive Officer, Operations Administration



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

**MOU NUMBER TCP2610LASD WITH LOS ANGELES COUNTY SHERIFF'S
DEPARTMENT FOR TRANSIT COMMUNITY POLICING SERVICES**

1.	Contract Number: TCP2610LASD		
2.	Recommended Vendor: Los Angeles County Sheriff's Department		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price:	Recommended Price:	
	\$61,559,741*	\$59,480,120	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Service Unit		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics:		
6.	Small Business Participation:		
	A. Bid/Proposal Goal:	Date Small Business Evaluation Completed:	
	N/A	N/A	
	Small Business Commitment: N/A		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent:	Bids/Proposals Picked up:	Bids/Proposals Received:
	N/A	N/A	N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Revised Amount:</u>
	Los Angeles County Metropolitan Transportation Authority	\$61,559,741	\$59,480,120
	B. Evaluation Methodology: Describe Methodology Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator:	Telephone Number:	
	Tommye Williams	(213) 922-1051	
11.	Project Manager:	Telephone Number:	
	Carolyn Flowers	(213) 922-2170	

***The initial proposal submitted by LASD for FY07 was higher than the amount LACMTA budgeted for FY07. LASD submitted a revised proposal which reflects a deployment plan consistent with LACMTA's FY07 budget for these services.**

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

**MOU NUMBER TCP2610LASD WITH LOS ANGELES COUNTY SHERIFF'S
DEPARTMENT FOR TRANSIT COMMUNITY POLICING SERVICES**

A. Background on Contractor

The Los Angeles Sheriff's Department (LASD) is the largest sheriff's department in the world. In addition to specialized services, the LASD currently operates and provides contract services throughout and within the many cities that comprise Los Angeles County. In addition, LASD provided transit law enforcement services to Metro over a five-year period under Contract OP2610LASD and Interim Contract PS2610LASD prior to the existing services being provided under the current Contract TCP2610LASD. LASD has provided satisfactory transit law enforcement services under these contracts.

B. Procurement Background

On February 27, 2003, the Board authorized the Chief Executive Officer (CEO) to negotiate and execute a Memorandum of Understanding (MOU) with the County of Los Angeles for Sheriff's Department Transit Community Policing Services, for a period of five years, inclusive of two one-year options, not to exceed \$47,212,982 for FY04, and \$7,868,830 for two-months service in FY03, inclusive of all start-up capital costs and annualized capital expenses.

The period of performance for the initial term will end June 30, 2006. Proposed action is to exercise the first option year under the MOU effective July 1, 2007.

Modification No. 1 was executed under CEO authority in March 2004. This modification added \$50,000 to the Special Overtime Fund for the Accident Reduction Program along Wilshire Boulevard to support the enforcement of traffic laws in targeted problem areas.

Modifications No. 2 and 3 were approved by the Board of Directors in May 2004. Modification No. 2 added \$500,000 to the MOU for contingency funding to cover emergency services required for heightened security after the Madrid train bombing. Modification No. 3 added funding in the amount of \$49,054,950 for FY05 to cover service levels for FY05.

Modification No. 4 was approved by the Board of Directors on July 15, 2004 and added a not-to-exceed amount of \$116,813 for an additional non-relieved deputy unit to fill a full-time anti-terrorism trainer position.

Modification No. 5 was approved by the Board of Directors in May 2005. Modification No. 5 added funding in the amount of \$58,916,716 to cover service levels for FY06 including the addition of transit community policing services for the Orange Line.

Modification No. 6 added a not-to-exceed amount of \$600,000 for LASD's project management responsibilities related to the grant-funded Weapons of Mass Destruction Training Program for Non-Sworn Security Personnel.

C. Evaluation of Proposals

Metro's review of proposal received from LASD for FY07 service level consisted of discussion and verification with staff from the Los Angeles County Controller's Office regarding basis for proposed rates, review of the allocation methodology used for support positions and a mathematical accuracy check.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon cost analysis (which included a review and analysis of service unit rates and other costs) and management and staff's review and acceptance of the revised deployment plan. (Service unit rates are established annually by the County Auditor-Controller.)

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

**MOU NUMBER TCP2610LASD WITH LOS ANGELES COUNTY SHERIFF'S
DEPARTMENT FOR TRANSIT COMMUNITY POLICING SERVICES**

PRIME CONTRACTOR – Los Angeles County Sheriffs Department

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0%.