



May 22, 2019

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Consultant Selection for the Implementation of the Federal Disadvantaged Business Enterprise Program

Overview

On February 5, 2019, the Orange County Transportation Authority issued a request for proposals for Disadvantaged Business Enterprise consulting services. Proposals were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested for the selection of a firm to perform the required work.

Recommendations

- A. Approve the selection of Padilla & Associates, Inc., as the firm to provide assistance in administering the Federal Disadvantaged Business Enterprise Program for the Orange County Transportation Authority.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-0987 between the Orange County Transportation Authority and Padilla & Associates, Inc., to provide assistance in administering the Federal Disadvantaged Business Enterprise Program for a five-year term, in the amount of \$950,000.

Discussion

The Orange County Transportation Authority (OCTA) is required to maintain a Disadvantaged Business Enterprise (DBE) Program as a condition of receiving federal assistance, pursuant to Section 1101 of the Fixing America's Surface Transportation Act; Title 49 Code of Federal Regulations Part 26; and Federal Transit Administration Master Agreement. As a recipient of federal funds, OCTA must implement policies and procedures to ensure that DBE firms have maximum opportunities to participate in all procurement activities.

A DBE is a for-profit, small business that is at least 51 percent owned and controlled by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, is one in which 51 percent of the stock is owned and controlled by one or more socially and economically disadvantaged individuals. A socially and economically disadvantaged individual is defined by federal regulations to be a citizen or lawfully admitted permanent resident of the United States who is an African American, Hispanic, Native American, Asian-Pacific American, Subcontinent Asian American, a woman, or a member of any additional group that can demonstrate that he or she is socially or economically disadvantaged.

OCTA's Contracts Administration and Materials Management (CAMM) Department is responsible for the administration of the DBE Program. Annually, CAMM manages between 75 and 100 federally-funded contracts that include DBE participation goals. The Director of CAMM is the DBE Liaison Officer for OCTA. There are no full-time employees fully dedicated to work on the DBE Program. The Director of CAMM and an Executive Assistant manage the DBE Program on a part-time basis. Consultant services have been used to provide staffing and expertise to assist OCTA in administering this program. The scope of services includes: reviewing annually OCTA's DBE Program and contract template language; updating the documents as necessary; preparing triennial and contract specific DBE goals; attending and providing DBE information at pre-proposal and pre-bid meetings; assessing DBE compliance with the established goal and/or reviewing Good Faith Efforts; monitoring of DBE compliance on all federally funded contracts, as well as with subrecipient agencies; and conducting staff and consultant training.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as staffing and project organization, prior experience with similar projects, work plan, and a fair and reasonable price structure.

On February 5, 2019, Request for Proposals 9-0987 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on February 5 and February 11, 2019. A pre-proposal conference was held on February 12, 2019, with attendees representing two firms. Two addenda were issued to make available the pre-proposal conference registration sheets and presentation, as well as to respond to written questions.

On March 4, 2019, seven proposals were received. An evaluation committee consisting of OCTA staff from CAMM, External Affairs, and Capital Programs met to review all proposals received.

The proposals were evaluated based on the following evaluation criteria and weightings:

- Qualifications of the Firm 25 percent
- Staffing and Project Organization 30 percent
- Work Plan 25 percent
- Cost and Price 20 percent

Several factors were considered in developing the evaluation criteria weightings. Staffing and project organization was weighted highest at 30 percent to emphasize the importance of the firm having experienced and qualified personnel to perform the work set forth in the scope of work. Qualifications of the firm and work plan were both weighted at 25 percent as the firm had to demonstrate experience managing DBE programs and extensive knowledge of DBE requirements. Additionally, the firm needed to demonstrate through its work plan that it has a thorough understanding of the project requirements and can perform the work as required. Cost was weighted at 20 percent to ensure competitive hourly rates and OCTA receives value for the services provided.

On March 19, 2019, the evaluation committee reviewed the seven proposals based on the evaluation criteria and short-listed the two most qualified firms listed below in alphabetical order:

GCAP Services, Inc. (GCAP)
Costa Mesa, California

Padilla & Associates, Inc. (Padilla)
Santa Ana, California

The short-listed firms were invited for an interview. The interviews were conducted on March 27, 2019, and consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements. The firms were also asked to perform a demonstration of their proposed web-based monitoring and reporting tool. The firms were requested to address the software/system's features, functionality, and describe how the tool would be integrated into the project. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' proposed allocation of staffing resources to perform the services, the firms' approach to conducting different type of audit functions, and clarification of the firms' quality control plan and process. Finally, each team was asked specific clarification questions related to

their proposal. After the interviews, the evaluation committee met to complete the evaluation.

There were changes to the individual criteria scores of both short-listed firms after the interviews; however, the overall ranking of the firms did not change as a result of the interviews.

Based on the evaluation of the written proposals, firm's qualifications, proposed hourly rates, and information obtained from the interviews, the evaluation committee recommends Padilla for consideration of the award. Following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

Both short-listed firms demonstrated experience and qualifications in managing DBE programs.

Padilla has over 25 years of experience in design, development, and administration of DBE compliance programs for various public agencies throughout the State of California and employs 31 individuals. Padilla currently provides similar services to the California High-Speed Rail Authority, Southern California Regional Rail Authority, and the Los Angeles County Metropolitan Transportation Authority's Crenshaw/Los Angeles International Airport project. Based on their subject matter expertise, Padilla was selected by the California Department of Transportation to develop and facilitate Best Practice Training in administering DBE programs on a statewide basis. The firm is also part of the United States Department of Transportation's Triennial Audit Review Team.

Padilla is currently the incumbent firm providing DBE Program consulting services to OCTA and has a proven track record of effectively managing all aspects of the DBE Program and working with staff to comply with federal regulations.

GCAP has approximately 22 years of experience in development and administration of DBE programs and employs 18 individuals. GCAP currently provides administration of DBE compliance programs similar to OCTA's scope of work for the San Diego Association of Governments and the San Bernardino County Transportation Authority. GCAP also assists various public agencies in the State of California by providing several DBE-related services and training in support of DBE efforts.

GCAP, in a subcontractor capacity to Parsons Transportation Group, Inc., currently provides labor compliance and DBE support services for OCTA's Interstate 405 (I-405) Improvement Project. The firm's role in this specific project was reviewed and clarifying questions were asked during the interview to

address a potential conflict of interest if GCAP was awarded this contract because it would be responsible for monitoring its own activities related to DBE compliance on the I-405 Project. The firm acknowledged the potential conflict of interest, but did not provide a clear plan as to how the compliance monitoring activities and personnel would be segregated to address this concern.

Staffing and Project Organization

Both short-listed firms proposed experienced project teams with relevant DBE Program compliance experience.

Padilla's proposed project team demonstrated experience in developing, planning, and administering tailored direct recipient and sub-recipient agency DBE programs. Padilla's proposed project manager has over 17 years of experience in the field and is currently assigned as the project manager for OCTA's DBE Program. The proposed DBE analyst has 18 years of relevant experience in both the private and public sectors. The proposed principal has over 25 years of experience and specializes in all aspects of DBE Program management. Padilla's team members have high availability for this project and during the interview, the project team discussed their roles and approach to performing the various DBE services as required for the scope of work, and provided comprehensive responses to the evaluation committee's questions.

GCAP's proposed project manager has over 35 years of experience in the fields of small and DBE certification, contract compliance, and community outreach. The majority of experience demonstrated is related to assisting agencies with specific components of DBE compliance and training, not in managing a day-to-day DBE Program as required by the scope of work. Additionally, the project manager's tenure with GCAP is less than one year. The proposed senior DBE analyst has over ten years of relevant experience. The proposed DBE compliance analyst, which is proposed to have the highest availability for this project, has three years of relevant experience and was not present at the interviews. The proposed principal has over 25 years of experience and has developed and managed several DBE programs for state and regional transportation clients.

Work Plan

Both short-listed firms demonstrated an understanding of OCTA's DBE Program requirements.

The work plans proposed by both firms were thorough and demonstrated a comprehensive approach to completing the project requirements and deliverables. Additionally, both firms proposed a web-based monitoring and compliance tool that captures data for reporting purposes and allows contractors to enter required project information to automate and streamline processes and decrease staff hours that would be spent on reviewing numerous amounts of hard-copy documentation submitted by contractors.

During the interview, both firms were asked to clarify their quality control procedures. GCAP proposed to use both management and staff to perform this function. Padilla indicated that only the principal or project manager would perform quality control oversight.

Cost and Price

Price scores were based on a formula which assigned the highest score to the firm with the lowest weighted average hourly rate and scored the other proposals' weighted average hourly rates based on their relation to the lowest weighted average hourly rate. Padilla's proposed weighted average hourly rate was lower than GCAP's.

Procurement Summary

Based on the evaluation of the written proposals, the firm's qualifications, and the information obtained from the interviews, the evaluation committee recommends the selection of Padilla as the top-ranked firm to assist in administering the Federal DBE Program.

Fiscal Impact

This project is included in OCTA's Proposed Fiscal Year 2019-20 Budget, Finance and Administration Division, Contracts Administration and Materials Management Department, Account 1270-7519-A0011-KHT.

Summary

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Agreement No. C-9-0987 between OCTA and Padilla & Associates, Inc., in the amount of \$950,000, for a five-year term, for the firm to assist in administering the Federal DBE Program.

Attachments

- A. Review of Proposals, RFP 9-0987 Disadvantaged Business Enterprise (DBE) Consulting Services
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms) – RFP 9-0987 Disadvantaged Business Enterprise (DBE) Consulting Services
- C. Contract History for the Past Two Years, RFP 9-0987 Disadvantaged Business Enterprise (DBE) Consulting Services

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