



March 28, 2018

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Amendment to Agreement for the Implementation of the Federal Disadvantaged Business Enterprise Program

Overview

On July 28, 2014, the Board of Directors approved an agreement with Padilla & Associates, Inc., to provide assistance to the Orange County Transportation Authority in administering the federally required Disadvantaged Business Enterprise Program. An amendment to the existing contract is necessary to exercise the one-year option term of the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1514 between the Orange County Transportation Authority and Padilla & Associates, Inc., in the amount of \$150,000, to exercise the one-year option term of the agreement through August 31, 2019, to provide assistance in administering the federal Disadvantaged Business Enterprise Program. This will increase the maximum obligation of the agreement to a total contract value of \$1,050,000.

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 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy of Users; 40 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. OCTA's Contracts Administration and Materials Management (CAMP) Department is responsible for the administration of the DBE Program.

On July 28, 2014, OCTA's Board of Directors (Board) approved Agreement No. C-4-1514 with Padilla & Associates, Inc. (Padilla), to assist OCTA in the implementation of the DBE Program on a time and expense basis. The scope of services includes reviewing annually OCTA's DBE Program and updating as necessary; preparing DBE goal assessments for all federally-funded projects; attending and providing DBE information at pre-proposal and pre-bid meetings; and assessing DBE compliance with the established goal.

Procurement Approach

The procurement was handled in accordance with OCTA's Board-approved procedures for professional and technical services and was awarded on a competitive basis. The agreement was issued in the amount of \$600,000. The Board approved the agreement with Padilla for an initial four-year term, with a one-year option term. The initial term of the agreement expires on August 31, 2018. The agreement had been previously amended in November 2016 for \$300,000 as described in Attachment A.

The proposed Amendment No. 3 is to exercise the one-year option term of the agreement. Amending this agreement will increase the maximum obligation by \$150,000, bringing the total contract value to \$1,050,000. The hourly rate escalation will remain as originally negotiated. Exercising the option term will allow Padilla to continue providing assistance in administering OCTA's DBE Program.

Fiscal Impact

The project is included in OCTA's Fiscal Year 2018-19 Budget, Finance and Administration Division, CAMM Department Account 1270-7519-A0011-KHT.

Summary

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-4-1514 with Padilla & Associates Inc., to exercise the one-year option term in the amount of \$150,000, for a total contract value of \$1,050,000, to provide assistance in administering the federal Disadvantaged Business Enterprise Program.

Attachment

A. Padilla & Associates, Inc., Agreement No. C-4-1514 Fact Sheet

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