



June 26, 2024

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Agreement to Provide Assistance Administering the Orange County Transportation Authority's Disadvantaged Business Enterprise Program

Overview

On February 21, 2024, the Orange County Transportation Authority released 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 to execute an agreement for these services.

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-4-2046 between the Orange County Transportation Authority and Padilla & Associates, Inc., in the amount of \$990,000, for a four-year initial term with two, three-year option terms, to provide assistance in administering the federal Disadvantaged Business Enterprise program.

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 (CFR) Part 26, and the Federal Transit Administration (FTA) 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 a Black American, Hispanic American, 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 and oversees the DBE program part-time, while leveraging consultant services for staffing and expertise. The scope of consulting services include:

- Reviewing annually OCTA's DBE program and contract template language and 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.
- Conducting staff and consultant training.
- Outreach Assistance.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for professional and technical services. Various 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 prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On February 21, 2024, Request for Proposals (RFP) 4-2046 was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on February 21 and February 27, 2024. A pre-proposal conference was held on February 28, 2024, with 11 attendees representing nine firms. Seven addenda were issued to make available the pre-proposal conference registration sheets and presentation, handle administrative issues related to the RFP, and provide responses to written questions.

On March 28, 2024, nine proposals were received. An evaluation committee consisting of OCTA staff from CAMM, Public Outreach, Maintenance Administration, and Contracted Services departments met to review all proposals received.

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

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

Several factors were considered in developing the evaluation criteria weightings. Qualifications of the firm was weighted at 25 percent as the firm had to demonstrate experience managing DBE programs and have extensive knowledge of DBE requirements. 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. Work plan was weighted at 20 percent as the firm had to demonstrate a thorough understanding of the project requirements and can perform the work as required. Cost and price was weighted at 25 percent to ensure competitive hourly rates and that OCTA receives value for the services provided.

On April 15, 2024, the evaluation committee reviewed the nine proposals based on the evaluation criteria and short-listed the two most qualified firms listed below in alphabetical order:

GCAP Services, Inc. (GCAP)
Headquarters: Costa Mesa, California
Project Office: Costa Mesa, California

Padilla & Associates, Inc. (Padilla)
Headquarters: Santa Ana, California
Project Office: Santa Ana, California

On April 23, 2024, the evaluation committee conducted interviews with the two short-listed firms. The interviews consisted of a presentation by each firm to demonstrate their understanding of OCTA's requirements. 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 staffing availability, the firms' tactics and measurements of success, and the firms' small business and DBE outreach approach, as well as specific clarification questions related to each firm's proposal.

After considering responses to questions asked during the interviews, the evaluation committee reviewed the preliminary ranking and made adjustments to individual scores. However, Padilla remained the higher-ranked firm with the higher overall score.

Based on the evaluation of the written technical proposals and the information obtained from the interviews, as well as cost and price, the evaluation committee recommends Padilla for consideration of contract award. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

Padilla, located in the City of Santa Ana, has over 30 years of experience in development and administration of DBE compliance programs for various public agencies throughout the State of California and employs eight individuals. Padilla currently provides similar DBE consulting services to the Southern California Regional Rail Authority, Los Angeles County Metropolitan Transportation Authority's Crenshaw/LAX Transit Corridor Project, and is currently the DBE compliance consultant for OCTA. Padilla demonstrated strong working relationships with the United States Department of Transportation Operating Administrations, such as the FTA and the Federal Highway Administration (FHWA) and was selected by the California Department of Transportation (Caltrans) to develop and facilitate Best Practice Training in administering DBE programs on a statewide basis, based on its subject matter expertise. Padilla demonstrated a strong understanding of small business and DBE outreach. Padilla proposed a single subconsultant, Jaquith Consulting Group, that will assist in DBE program manual updates, triennial overall DBE goal development and outreach, shortfall analysis, and corrective action plans and reconsideration liaison support. The firm received positive feedback from its references.

GCAP, a firm based in the City of Costa Mesa, has approximately 26 years of experience in the development and administration of DBE programs. The firm employs 26 individuals and provides administration of DBE compliance programs similar to the scope of work for OCTA. GCAP's clients include the San Diego Association of Governments, Omnitrans, and the San Bernardino County Transportation Authority. In addition to administering DBE programs, GCAP also offers DBE-related services and training to various public agencies in California. As a subcontractor to Parsons Transportation Group, Inc., GCAP currently provides labor compliance and DBE support services for OCTA's Interstate 405 (I-405) Improvement Project and assists in outreach-related activities. The firm has worked with several government agencies since 1997 providing DBE consulting services and has experience with FTA, FHWA, and Caltrans. For scope of work outreach-related activities, GCAP proposed Costin Public Outreach Group, Inc. as a subconsultant with experience in OCTA public outreach.

Staffing and Project Organization

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, with over 21 years of experience, has a well-established positive track record in the field, having developed and administered DBE programs for transportation agencies, airports, cities, and counties. The proposed DBE analysts have a combined eight years of relevant DBE and small business public sector experience, and the proposed principal, with over 30 years of experience, specializes in all aspects of DBE program management. The proposed principal/technical advisor from Jacquith Consulting Group has worked extensively with OCTA on the DBE program and adds over 22 years of DBE program experience to the team. Additionally, the team is locally based and can attend Board meetings on short notice with a high availability for this project. During the interview, Padilla discussed its team's roles and approach to performing the various DBE services required for the scope of work and provided comprehensive responses to the evaluation committee's questions.

GCAP's proposed project team is comprised of a project manager with 19 years of experience, a senior DBE analyst with 11 years of experience, a DBE compliance analyst with six years of experience, and a principal with over 26 years of experience. The proposed project manager specializes in DBE and small business compliance with the individual's primary experience in the development of DBE programs. The proposed principal has a track record of developing and managing several DBE programs for state and regional transportation clients. However, there were concerns related to potential conflicts of interest and staff availability for in-person and on-site meetings.

During the interview, GCAP acknowledged a potential conflict of interest if awarded this contract as it would be overseeing its own activities related to DBE compliance on the I-405 Project and the firm did not provide a clear resolution for this issue. Furthermore, GCAP did not provide insight regarding staff availability for in-person meetings should their designated staff be unavailable to attend.

Work Plan

Padilla proposed a comprehensive work plan, demonstrating its understanding of the project scope through its project management approach, quality assurance/control processes, and project scheduling. Padilla proposed a web-based monitoring and compliance tool, currently used by OCTA, which automates processes and reduces staff hours spent on reviewing hard-copy documentation. The firm outlined its approach to tasks and deliverables as per the scope of work requirements. Padilla provided details on effective communication with the agency and various stakeholders and the DBE program's effectiveness with DBEs and small business firms. Furthermore, Padilla discussed its ability to monitor prompt payment, outreach for small businesses to offer necessary training modules, and conduct outreach to develop relationships. Additionally, Padilla discussed its proposed subconsultant's responsibilities for various tasks including the triennial goal, shortfall analysis, quarterly standing summaries, DBE program updates, and training. During the interview, Padilla elaborated on their electronic compliance monitoring software, Enhanced Compliance Application Tool, including its increased capacities and the firm's strategy for monitoring projects, developing corrective plans, and ensuring compliance.

GCAP demonstrated a solid understanding of the project requirements and work plan, outlining its procedure for updating DBE materials and its methodology. The firm's work plan demonstrated its experience in developing contract goals for FTA, FHWA, and Federal Aviation Administration clients. The firm provided a detailed schedule for annual implementation, acknowledged participation in pre-bid and pre-proposal meetings, and addressed quality control, potential challenges, and possible solutions. GCAP proposed the use of B2Gnow software for DBE contract compliance monitoring for reporting and goal development processes. However, GCAP did not demonstrate a full understanding of the DBE program rules regarding the bidder's list requirements and a method of developing the triennial goal. Furthermore, GCAP's proposed electronic compliance monitoring solution did not meet the prompt payment requirement specified in the scope of work, which involves real-time verification of payments and prompt payment tracking for lower-tier DBE. During the interview, GCAP provided general responses without offering additional detail.

Cost and Price

Pricing 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 rate based on its relation to the lowest weighted average hourly rate. Padilla's proposed weighted average hourly rate is the lower of the short-listed firms and lower than the OCTA project manager's independent cost estimate. Therefore, Padilla's proposed hourly rates are deemed fair and reasonable.

Procurement Summary

Based on the evaluation of the written proposals, the firm's qualifications, and the information obtained from the interviews, as well as cost and price, the evaluation committee recommends the selection of Padilla as the top-ranked firm to assist in administering the federal DBE program. Padilla delivered a thorough and comprehensive proposal and an interview that was responsive to all the requirements of the RFP.

Fiscal Impact

This project is included in OCTA's Fiscal Year 2024-25 Budget, Finance and Administration Division, Contracts Administration and Materials Management Department, Account No. 1270-7519-A0011-KHT and is funded through local funds.

Summary

Staff is recommending the Board of Directors authorize the Chief Executive Officer to negotiate and execute Agreement No. C-4-2046 between the Orange County Transportation Authority and Padilla & Associates, Inc., in the amount of \$990,000, for a four-year initial term with two, three-year option terms to provide assistance in administering the federal Disadvantaged Business Enterprise program.

Attachments

- A. Review of Proposals, RFP 4-2046 Disadvantaged Business Enterprise (DBE) Consulting Services
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms), RFP 4-2046 Disadvantaged Business Enterprise Consulting Services
- C. Contract History for the Past Two Years, RFP 4-2046 Disadvantaged Business Enterprise (DBE) Consulting Services

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