



REVISED
EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
MAY 19, 2004

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

ACTION: MODIFY MOU NOT-TO-EXCEED AMOUNT FOR FY05 TRANSIT COMMUNITY POLICING SERVICE LEVEL

RECOMMENDATION

Authorize the Chief Executive Officer to:

- A. Execute Memorandum of Understanding (MOU) Modification No. 3 to MOU No. TCP2610LASD to provide funding for FY05 transit community policing services in the amount not-to-exceed \$49,794,668- \$49,054,950 for the period July 1, 2004 through June 30, 2005; and increasing the Total Contract Value from \$55,081,812 to \$104,876,480 for the period July 1, 2004 through June 30, 2005.
- B. Add the amount of \$500,000 to MOU TCP2610LASD for contingency funding to cover emergency services required for heightened security resulting from activities similar to the recent Madrid train bombing

Revising the Total Contract Value from \$ 55,081,812 to \$104,636,762.

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 and \$3,719,835 in start-up capital costs. \$7,868,830 for two months of service in FY03 inclusive of all start-up capital costs and annualized capital expenses. Although the Board approved the \$47.2 million funding level, staff negotiated \$43.8 million for FY04. Staff is required to come back for future year funding levels prior to the adoption of the budget. Because the LASD was able to ramp up more rapidly in the first two months than had anticipated initially, ensuring the highest level of security continued into the new contract period, expenditures actually reached \$6.2 million. This amount exceeded the FY03

funding level of \$4,148,995 by \$2.1 million. However, capital costs were negotiated to be paid in three equal installments of \$1,239,945 each. The first installment was paid in May 2003, the second payment will be paid in July 2004, and the third payment is scheduled for payment in July 2005. Payment of the first capital installment of \$1.2 million in FY03, instead of the original \$3.7 million lump sum, resulted in \$2.5 million in reduced utilization of Contract Authority. This offset the service level overexpenditure of \$2.1 million by approximately \$0.4 million. Therefore, the Board approved Contract Value of \$55,081,812 was not exceeded and the level of security did not lapse in the transition between LAPD and LASD.

For FY04, staff was successful in negotiating a service level amount of \$44.4 million, exclusive of capital. This amount is \$2.85 million less than the original \$47.2 million authorized by the Board.

For FY05, the recommended service level is \$51 million, which includes the second capital payment of \$1.23 million. Staff is also recommending inclusion of a contingency fund for unanticipated emergency expenses of \$500,000. This brings the proposed FY05 service level to \$51.5 million. The FY05 proposed service level revises the Total Contract Value from \$55,081,812 to \$104,636,762 (See Attachment B).

~~MOU Modification No. 3 to the LASD agreement is being recommended to add 60 security assistants (fare inspectors), supervision and support personnel to the Metro Blue and Green Lines and post a permanent LASD team at the Union Station Gateway (USG) complex.~~

Due to the success of the current fare inspection program (which includes 50 security assistants on the Metro Red and Pasadena Gold Lines) and the heightened security environment, it is essential that a significant law enforcement presence be maintained on the transit systems' rail lines. Security assistants provide a key element in that presence, observing their surroundings for unusual situations and persons as well as performing fare inspection. In FY05, staff is proposing the addition of 60 security assistants on the Blue and Green Lines enables deputies of the LASD, whose charge it is to maintain the safety and security of the transit system in Los Angeles County, to place their prime focus on preventing crimes including terrorist acts.

With regard to specific program enhancements, LASD has estimated that thorough coverage of Metro Blue and Green Lines by security assistants would necessitate an estimated 36 inspectors on the Blue Line and 24 on the Green Line, with supervision to be provided by one additional team leader and two additional sergeants. Additionally, as fare inspection will increase the number of citations written for fare evasion and the number of citizen complaints, two station clerks and a risk management sergeant are required to handle the resultant additional workload. Further, while LASD personnel patrol the USG building as part of their current deployments, it is now critical, in light of the Madrid commuter train bombing, that additional law enforcement resources be placed throughout the heavily trafficked USG complex. A security detail of two, twenty-four hour, seven-day per week deputies was put in place for the remainder of FY04. The proposed new team would consist of ten deputy sheriff generalists and four sergeants on a twenty-four hour, seven-day per week basis.

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 MTA patrons, employees and property. One of its goals was to bring MTA's law enforcement and security costs in line with comparable costs of other transit agencies and to target MTA 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. Staff is projecting the FY05 budget to reach an estimated 6.35% of FY05 enterprise fund expenditures. Staff will strive to reduce the target through monitoring deployment of security services and associated costs.

FINANCIAL IMPACT

The funding of ~~\$51~~ \$49.0 million for this contract amendment exclusive of capital and the proposed contingency ~~proposed security services and capital costs~~ is included in the FY05 proposed budget in cost center 2610, Operations Security. Additionally, staff is requesting a contingency fund of \$500,000 to cover any unforeseen security related expenses. Staff will advise the Board via a Board Box in the event the contingency fund is required. The recommended amount includes a 2.18% increase in service unit rates over those included in the FY04 contract. 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.

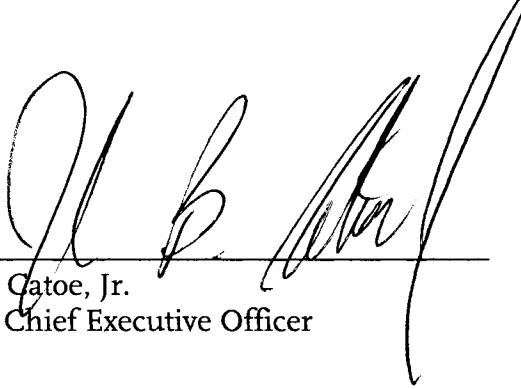
ALTERNATIVES CONSIDERED

None. The LASD currently serves as MTA'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
- A-3 Level of Service Units
- B. Contract Value

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: \$49,794,668*	Recommended Price: \$49,794,668*	
	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: N/A	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment: N/A Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received:
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Los Angeles County Sheriff's Department	<u>Bid/Proposal Amount:</u> \$49,794,668*	<u>Best and Final Offer Amount:</u> \$
	B. Evaluation 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: Timothy Godfrey	Telephone Number: (213) 922-2839	
11.	Project Manager: Carolyn Flowers	Telephone Number: (213) 922-2170	

* See explanation in Attachment A-1, Paragraph B Procurement Background

**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; including the City of Los Angeles. In the City of Los Angeles, LASD provides services to the Los Angeles Community Colleges, Metrolink, and all of the Los Angeles County Courts. In addition, LASD Transit Services Bureau provided additional transit law enforcement services to the Metropolitan Transportation Authority (Metro) under Contract OP2610LASD over a five-year period, 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 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, starting May 1, 2003. The total contract award amount is \$55,081,812. Contract No. TCP2610LASD, which is the MOU, was executed and made effective on May 1, 2003.

~~Although the Board approved the amount of \$47,212,982 for the service level for FY04, staff negotiated a service level for FY04 in the amount of \$43,838,944.~~

Modification No. 1 was executed on March 26, 2004 to add \$50,000 for effort related to the Accident Reduction Project along Wilshire Boulevard.

Modification No. 2 was executed on April 21, 2004 to increase the service level for the remainder of FY04 by the amount of \$473,973. This modification included the following service unit changes, which were effective on April 21, 2004:

Service Unit Description	Service Unit Number	Service Unit Changes	Revised Service Unit Number
56 Hour One Deputy Unit	40	-1	39
MET Deputy	1	+1	2
Canine Deputy	1	+1	2
Motor Team Leader	0	+1	2
Motor Units	22	-2	20

2 Field Sergeants are converted to Motor Sergeants
 1 Motor Generalist is converted to 1 Motor Team Leader
 1 Deputy Generalist is converted to the Crisis Response Unit (CRU)
 1 Motor Generalist is converted to the "Bark and Alert" detection Canine Unit.
 1 Lieutenant has been added. The cost for the Lieutenant is included as part of the allocated overhead cost.

The Special Overtime Fund is increased to cover the two added 24-hours, 7 days per week security detail at USG complex, effective March 15, 2004, in the aftermath of the commuter train bombing in Madrid, Spain. The amount of \$300,000 is added to the Special Overtime fund amount of \$300,000 for a revised fund amount of \$600,000.

In addition, the amount for Canine Support is increased from \$6,502 to \$13,004.

Per the contract under Modification No. 3, the MTA shall establish an annual service level and budget for Transit Community Policing Services for FY05 for the period July 1, 2004 through June 30, 2005. As shown in Attachment B, the schedule below, the proposed amount of \$49,794,668 for FY05 plus the contingency amount of \$500,000 less the FY04 underutilized contract value of \$739,718 increases ~~\$2,850,065~~ the Total Contract Value to \$104,876,480 \$104,636,762.

Description	Board-Original Award Amount	First-Year-Staff Negotiated		First-Year- Revised Staff Negotiated		Amend-3-Second Year Amount	Revised Total-Contract Value
		Amount	Amend-1	Amend-2	Amount		
Start-Up Capital Cost	\$ 3,719,936		\$ —	\$ —	\$ 1,239,946	\$ 1,239,946	\$ 2,479,890
Fiscal Year-03 Services (2 months)	4,148,096				6,259,342		6,259,342
Subtotal	\$ 7,868,032	\$ —	\$ —	\$ —	\$ 7,499,288	\$ 1,239,946	\$ 8,739,232
Fiscal Year-04 Service	47,212,982	43,838,944	50,000	473,973	44,362,917		44,362,917
Fiscal Year-05 Service						49,794,668	49,794,668
Total	\$ 55,081,812	\$ 43,838,944	\$ 50,000	\$ 473,973	\$ 51,862,205	\$ 51,034,613	102,896,817
Contingency						600,000	600,000
Total with Contingency						\$ 51,634,613	\$ 103,396,817.00
FY06 Capital Cost							1,239,946
Total with Contingency							104,636,762

Note: As shown in the schedule above, the revised total amount of \$51,862,205 ~~52,231,747~~, which was negotiated by staff for the first year of services, inclusive of capital expenses is \$3,219,608 ~~2,850,065~~ lower than the amount of \$55,081,812 that was approved by the MTA Board.

C. Evaluation of Proposals

MTA's review of the proposal received from LASD for FY05 service level under the subject contract was limited to a mathematical accuracy check, reconciliation of proposed rates to supporting documents and reviewing the allocation methodology used for proposed support staff positions.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon cost analysis. Staff performed a cost comparison analysis of the proposed service level costs for FY05 in the amount of \$49,794,668 with historical service level costs associated with FY04 in the amount of \$44,362,916 (see Attachment A-3). The cost analysis disclosed that the proposed service unit rates for FY05 are slightly lower than the service unit rates for FY04, due to a change in the proposed support positions. However, the total amount for FY05 is ~~\$5,431,752~~ or approximately 12% higher than the amount for FY04 due to an increase in the level of service units requested, in the aftermath of the commuter train bombing in Madrid, Spain and terrorist threats around the world.

Bid/Proposal Amount	MTA Estimate	Recommended/Negotiated Amount
\$49,794,668*	\$	\$49,794,668*

* excludes capital expenses for FY05 of \$1,239,945

**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 –

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0%

**BOARD REPORT ATTACHMENT A-3
LEVEL OF SERVICE UNITS**

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

<u>FY04 Service Units</u> <i>(FY02-03 Rates)</i>		<u>FY04 Revised Service Units</u> <i>(FY03-04 Rates)</i>		<u>Proposed FY05 Service Units</u> <i>(FY04-05 Rates)</i>	
Number	Unit Cost	Annual Cost	Number	Unit Cost	Annual Cost
49	471,593	23,108,057	49	473,465	23,199,785
40	235,797	9,431,880	39	236,732	9,232,548
13	153,115	1,990,495	13	153,722	1,998,386
1	162,092	162,092	2	162,686	325,372
9	162,092	1,458,828	9	162,686	1,464,174
0	0	0	1	169,396	169,396
1	162,092	162,092	2	162,686	325,372
22	162,092	3,566,024	20	162,686	3,253,720
50	72,960	3,648,000	50	73,686	3,684,300
		43,527,468			43,653,053
Special Overtime Fund	250,000		Special Overtime Fund	600,000	
Workers' Compensation	8.652%	21,630	Workers' Compensation	8.652%	51,912
Carine Support	6,502		Carine Support	13,004	
Subtotal	278,132		Subtotal	664,916	
Liability Insurance	3.000%	8,344	Liability Insurance	3.000%	19,947
Training Fund	25,000		Training Fund	25,000	
Total Supplemental Cost		311,476	Total Supplemental Cost		709,863
Total Contract Cost		43,838,944	Total Contract Cost		44,362,916
Start-Up Costs (1)	3,719,835	1,239,945	Change from FY04		523,973
First Year Total Costs		45,078,889	Percent Change		1.2%
(1) Start-Up costs to be paid in three annual payments.			Start-Up Costs (1)	3,719,835	1,239,945
			First Year Total Costs		45,602,861
			(1) Start-Up costs to be paid in three annual payments.		
			Total Contract Cost		49,794,668
			Change from FY04 Revised		5,431,752
			Percent Change		12.2%
			Start-Up Costs (1)		1,239,945
			Second Year Total Costs		51,034,613
			(1) Start-Up costs to be paid in three annual payments.		

Note: Figures may be slightly off from original schedules due to rounding.

Modify LASD MOU Not-To-Exceed Amount for FY05

ATTACHMENT B

Description	Board Authorized Contract Authority	FY04 Actual Contract Amount	Mod 1	Mod 2	Revised FY04 Actual Contract Amount	Difference between Board Authorized and Actual	Ref.	Remaining Authorized Amount	FY05 Proposed Amount	FY06 Capital Payment	Total Contract Value
FY03 Services (2 months)	4,148,995	6,259,342	-	-	6,259,342	(2,110,347)	Note 1	\$ (2,110,347)			
First 1/3 Capital	3,719,835	1,239,945	-	-	1,239,945	2,479,890	Note 2				
Subtotal	7,868,830	7,499,287	-	-	7,499,287	369,543		\$ (2,110,347)			
FY04 Services	47,212,982	43,838,944	50,000	473,973	44,362,917	2,850,065		\$ 2,850,065			
Total Approved Amount	55,081,812	51,338,231	50,000	473,973	51,862,204	3,219,608		\$ 739,718			
FY04:											
FY04 Modification 1		50,000									
FY04 Modification 2		473,973									
Modification Subtotal		523,973									
FY04 Services		43,838,944									
Revised FY04 Services		44,362,917									
FY03 Services (2 months)		6,259,342									
First 1/3 Capital		1,239,945									
FY04 Revised Actual Amount		51,862,204									
FY05:											
Proposed Funding Level									49,794,668		
Underutilization of Original Contract Value									(739,718)		
Subtotal									49,054,950		
Second 1/3 Capital									1,239,945		
Proposed Funding Level Subtotal									50,294,895		
Contingency									500,000		
FY05 Proposed Cost									50,794,895		
Contract Value:											
Board Approved Contract Value		55,081,812									
Third 1/3 Capital (FY06) Payment										1,239,945	
Total Negotiated Contract Value		55,081,812							\$ 50,794,895	\$ 1,239,945	\$ 104,636,762
Difference FY04 Board v. Negotiated											
Unused Authorized Amount											
Revised Total Contract Value		3,219,608									

Notes

1. LASD was able to ramp up more rapidly in the first two months than had been anticipated. Initially, The actual invoiced amount for the first two months was \$6.2 million. This amount is \$2.1 million higher than the original estimate of \$4.1 million.

2. Capital costs were negotiated to be paid in three installments. The \$2.5 million is the total of the second and third remaining capital payments