



**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
MARCH 20, 2008**

**SUBJECT: MEMORANDUM OF UNDERSTANDING (MOU) TCP2610LASD WITH  
LOS ANGELES COUNTY SHERIFF'S DEPARTMENT (LASD)**

**ACTION: EXERCISE A SIX MONTH EXTENSION AND MODIFY MOU NOT-TO-  
EXCEED AMOUNT**

**RECOMMENDATION**

Authorize the Chief Executive Officer to:

- A. Exercise a negotiated six month extension to Memorandum of Understanding (MOU) No. TCP2610LASD with the Los Angeles Sheriff's Department for transit community policing services and;
- B. Execute Modification No. 12 MOU TCP2610LASD to provide funding for FY09 transit community policing services in the amount not-to-exceed \$31,860,969 for the period July 1, 2008 through December 31, 2008, revising the Total Contract Value from \$286,416,950 to \$318,277,919.

**RATIONALE**

This MOU extension action is recommended to allow additional time for staff to formulate a comprehensive program recommendation for the long-term future of the Transit Security Program. Staff is currently analyzing multiple program alternatives designed to deliver both a sizable increase in the level of deployed security staff and achieve a simultaneous cost reduction to bring our security cost more in line with our peer agencies nation-wide. While staff has been engaged in a deliberate process of analyzing a strategic reconfiguration of security for the past 18 months, the large size and complex nature of this important support service requires more time to refine the analysis.

This action will support continuation of our Transit Community Policing program through exercising an extension of the current MOU with the LASD. In February 2003, the Board approved a staff recommendation to implement a new policing program with LASD as the sole law enforcement provider to serve as the our Transit Police Department. This new organizational structure was a follow-on program to the previous five year period in which the LASD and the Los Angeles Police Department both served under contract to us.

In 2003, the Board approved a funding level for the LASD in the amount not-to-exceed \$55,081,812. This amount included the FY04 base funding level of \$47,212,982 for FY04, plus \$4,148,995 for service in the two remaining months of FY03 and \$3,719,835 in start-up capital costs for mobilization. An agreement was reached for us to pay for the mobilization costs over three years (\$1,239,945 each year for three years).

In FY05, our funding mark for LASD was \$51.5 million and included an increase of 60 non-sworn and unarmed Security Assistants and a special detail for dedicated service for the Union Station complex. The second \$1.239 million mobilization cost was included in this funding level.

In FY06, our funding for LASD was \$58.9 million including the third payment for mobilization. This funding level supported an expansion of service dedicated to our new Metro Orange Line. Additional capital items such as patrol cars and radios to support this service expansion were also included in this funding.

In FY07, our funding allocation for LASD service was \$59.5 million which represented an increase of 4% over the FY06 base budget after subtracting the final mobilization payment of \$1.239 million and \$686,090 for Orange Line capital costs. For FY08 the funding mark requested by LASD was \$65,765,798 or a 10.5% increase. Subsequent to staff negotiations with the LASD and their agreement to achieve certain vacancy savings the final MOU cost approved by the Board was \$62,313,387 or a 5.18% increase. The recommended funding level of \$31,860,969 for this six month MOU extension represents a month to month increase of 2.3%.

LASD's unit costs, and the rates they charge to their contracts, are established by the County Auditor-Controller. These annual rates contain Sheriff's Deputies and civilian staff salary increases and LASD department-wide overhead costs. Additionally, certain countywide overheads as calculated in the cost allocation plan (CAP Rate) are included in the annual cost schedule. Because LASD's service unit pricing has escalated at a faster rate than our operating budget it has been necessary to reduce the number of service units (deputies or security assistants) to keep our overall operating costs within budgetary constraints. It should be noted that these contracted transit policing costs are one of the largest controllable and fastest growing cost components of our Bus and Rail service hour costs calculations in the past ten years. For the first six months of FY 09, the LASD has committed to making certain unspecified adjustments to their staffing levels, including holding positions unfilled, over the six month period in order to constrain their program cost to the negotiated 2.3% escalator.

### **IMPACTS TO OTHER CONTRACTS**

The award of this MOU extension does not impact other contracts.

## **FINANCIAL IMPACT**

Funding of \$31,860,969 for this MOU extension is included in the FY09 proposed budget in cost center 2610, Transit Security. The recommended amount includes no change in nominal staffing level however LASD may hold selected positions open to achieve vacancy savings in order to meet the negotiated 2.3% net increase in the FY09 unit costs minus MOU adjustments.

## **ALTERNATIVES CONSIDERED**

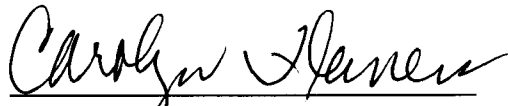
The first option considered is to reduce the nominal number of LASD service units. This option is not recommended at this time because we would not meet our security objectives without increasing other security components to make up for the reduction in LASD service.

A second alternative would be to not award this MOU extension. This alternative of not proceeding with exercising this MOU extension is not recommended because this is a critical security program and we do not currently have in-place an alternative policy or strategy, nor do we have in place the security assets, to provide the current level of protection for our customers and employees if the MOU is not extended.

## **ATTACHMENTS**

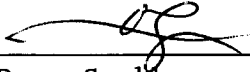
- A. Procurement Summary
  - A-1 Procurement History
  - A-2 List of Subcontractors
- B. Recapitulation of LASD MOU Schedule C

Prepared by: Jack Eckles, Deputy Executive Officer, Safety and Security  
Daniel Cowden, Director of Security



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Carolyn Flowers  
Chief Operations Officer



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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: *5% escalation over last year's rates	Recommended Price: \$31,860,969 (2.3% increase)	
	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		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names:  Los Angeles County Sheriffs Department	<u>Bid/Proposal Amount:</u>  *5% Proposed escalation 2.3% Negotiated escalation	<u>Revised Amount:</u>  \$31,860,969 for a 6- month period
	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:  Tommye Williams	Telephone Number:  (213) 922-1051	
11.	Project Manager: Jack Eckles	Telephone Number: (213) 922-3624	

\*LASD proposed a 5% increased based on rates established by the County Controller's Office. LACMTA budgeted a 2.3% increase for FY09. LASD will submit a deployment plan consistent with LACMTA's FY09 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 us 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.

Modification 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 2 and 3 were approved by the Board of Directors in May 2004. Modification number 2 added \$500,000 to the MOU for contingency funding to cover emergency services required for heightened security after the Madrid train bombing. Modification 3 added funding in the amount of \$49,054,950 for FY05 to cover service levels for FY05.

Modification 4 was approved by the Board of Directors on July 15, 2004. Modification 4 added a not to exceed amount of \$116,813 to add an additional non-relieved deputy unit to fill a full-time anti-terrorism trainer position.

Modification 5 was approved by the Board of Directors in May 2005. Modification 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 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.

Modification 7 was approved by the Board of Directors on June 22, 2006. Modification 7 added funding in the amount of \$59,480,120 to cover service levels for FY07.

Modification 8 added funding in the amount of \$100,000 to cover increased overtime at the Union Station complex as a result of the London bombings. Modification 9 added an additional \$60,000 for project management responsibilities related to the Weapons of Mass Destruction training program. Modification 10 designated the LACMTA's newly appointed Deputy Executive Officer for Safety and Security as LACMTA's project manager under the MOU.

Modification No. 11 was approved by the Board of Directors on June 28, 2007. Modification No. 11 added funding in the amount of \$62,524,538.52 to cover service levels for FY08.

### **C. Evaluation of Proposals**

LACMTA's review of proposal received from LASD for first six months of FY09 service level under the subject contract consisted of a mathematical accuracy check and a review of proposed deployment plan to ensure adequate service within the budgetary constraints.

### **D. Cost/Price Analysis Explanation of Variances**

Service unit rates are established annually by the County Auditor-Controller's Office. As done previously, LACMTA will review support documents from the Los Angeles County Auditor Controller's Office to verify proposed rates. LACMTA shall negotiate with LASD to develop a deployment plan consistent with the FY09 budget.

The recommended price of \$31,860,969 has been determined to be fair and reasonable based upon a comparison of the recommended price for FY09 versus the cost for these services during FY08. The cost increase represents a 2.3% increase over FY08.

**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%.



**ATTACHMENT B**

Although the Board approved initial service and funding levels, we found it necessary to make marginal adjustments through the course of the fiscal year to meet budget restraints. Below are the FY07 and FY08 MOU Schedule C.

**FY 07 MOU: \$59,094,621 – 4.35% Total Increase, 7.02% Increase in Unit Costs**

Service Units	Number	Unit Cost	Annual Cost
56 Hr Two Deputy Units	52	\$535,776	\$27,860,360
56 Hr One Deputy Units	48	267,888	12,858,628
Non-Relieved Deputy Units	17	173,953	2,957,206
MET Team	2	182,961	365,922
Team Leaders	12	182,961	2,195,533
Team Leader-Motor Officer	1	190,736	190,736
Canine Deputy	5	182,961	914,808
Motor Units	22	181,233	3,987,135
Security Assistants	99	\$78,427	7,764,293
Total Units/FTEs	258	Total	<b>\$59,094,621</b>

**FY 08 MOU: Proposed by LASD \$65,374,993 – 10.63% Increase in Costs**

**FY 08 MOU: Negotiated Agreement \$62,313,387 – 5.18% Increase in Costs**

Service Units	Number	Unit Cost	Annual Cost
Hr Two Deputy Units	52	\$592,454	\$30,807,596
Hr One Deputy Units	48	296,227	14,218,891
Non-Relieved Deputy Units	17	192,355	3,270,037
MET Team	2	201,391	402,781
Team Leaders	12	201,391	2,416,689
Team Leader-Motor Officer	1	209,220	209,220
Canine Deputy	5	201,391	1,006,954
Motor Units	22	200,715	4,415,723
Security Assistants	99	\$87,142	8,627,103
Total Units/FTEs	258	Total	<b>\$65,374,993</b>

Service Units	Number	Unit Cost	Annual Cost
Special Overtime Fund		\$294,000	
Worker's Compensation	7.530%	22,138	
Canine Support		39,012	
Subtotal		355,150	
Liability Insurance	3.000%	10,655	
Training Fund		\$25,000	
Total Supplemental Costs			390,805
Total Proposed Cost			\$65,765,798
Negotiated Cost Adjustment			(3,452,411)
<b>Total MOU</b>			<b>\$62,313,387</b>

FY 09 MOU: (Six Months) \$31,860,969 – 2.3% Increase in Costs w/unspecified costs/service reduction

Service Units	Number	Unit Cost	Annual Cost	Six Month Costs
Hr Two Deputy Units	52	\$592,454	\$30,807,596	\$15,403,798
Hr One Deputy Units	48	296,227	14,218,891	7,109,446
Non-Relieved Deputy Units	17	192,355	3,270,037	1,635,019
MET Team	2	201,391	402,781	201,391
Team Leaders	12	201,391	2,416,689	1,208,345
Team Leader-Motor Officer	1	209,220	209,220	104,610
Canine Deputy	5	201,391	1,006,954	503,477
Motor Units	22	200,715	4,415,723	2,207,862
Security Assistants	99	\$87,142	8,627,103	4,313,552
Total Units/FTEs		Total	\$65,374,993	\$32,687,500

Service Units	Number	Unit Cost	Annual Cost	Six Month Costs
Special Overtime Fund		\$294,000		
Worker's Compensation	7.530%	22,138		
Canine Support		39,012		
Subtotal		355,150		
Liability Insurance	3.000%	10,655		
Training Fund		\$25,000		
Total Supplemental Costs			390,805	195,403
Total Contract Price			<b>\$65,765,798</b>	
Adjustment – For Suspended Positions [1]			(3,452,411)	(1,726,206)
Adjusted Price with Vacancy Savings			<b>\$62,313,387</b>	<b>\$31,156,694</b>
Plus 2.3% Negotiated Increase				<b>\$31,860,969</b>

1. Positions suspended to meet budget constraints.