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Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000  
metro.net

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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
JUNE 21, 2007**

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

**ACTION: EXERCISE SECOND AND FINAL OPTION YEAR OF MOU AND MODIFY  
MOU NOT-TO-EXCEED AMOUNT FOR FY08 TRANSIT COMMUNITY  
POLICING SERVICE LEVEL**

**RECOMMENDATION**

Authorize the Chief Executive Officer to:

- A. Exercise the second of two option years related to Memorandum of Understanding (MOU) No. TCP2610LASD and;
- B. Execute Modification No. 11 to MOU TCP2610LASD to provide funding for FY08 transit community policing services in the amount not-to-exceed \$62,524,538.52 for the period July 1, 2007 through June 30, 2008, revising the Total Contract Value from \$223,892,411 to \$286,416,950.

**RATIONALE**

This action will support continuation of Metro's Transit Community Policing program through exercising the final MOU option year with LASD. In February 2003, the Board approved a staff recommendation to implement a new Transit Community Policing Program with the Los Angeles County Sheriff's Department (LASD) as the sole law enforcement provider to serve as the Metro's 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 Metro.

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 Metro to pay for the mobilization costs over three years (\$1,239,945 each year for three years).

In FY05, Metro's 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.

For FY06, Metro's funding for LASD was \$58.9 million including the third payment for mobilization. This funding level supported an expansion of service dedicated to the Metro's 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 Metro's funding allocation for LASD service was 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. In each of the fiscal years noted, staff has negotiated with the LASD to attempt to hold the budget increases for their service in line with the Metro's budget increase in operations costs.

LASD's unit costs and 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 County-wide overheads as calculated in the cost allocation plan (CAP Rate) are included in the annual cost schedule presented to Metro. Because the LASD's service unit pricing has escalated at a faster rate than the Metro's operating budget it has been necessary to reduce the number of service units to keep our overall operating costs within Metro budget constraints. It should be noted that this transit policing costs are one of the largest controllable and fastest growing cost components of Metro Bus and Rail service hour costs calculations in the past ten years. For FY08, staff is recommending a 7.4% or \$4.3 million increase to the Sheriff's Contract.

### **IMPACTS TO OTHER CONTRACTS**

The award of this option does not impact other contracts.

### **FINANCIAL IMPACT**

Funding of \$62,524,538.52 for this contract modification is included in the FY08 proposed budget in cost center 2610, Transit Security. The recommended amount includes a 7.4% net increase in the FY07 unit costs.

### **ALTERNATIVES CONSIDERED**

The first option considered is to reduce the number of LASD service units. This option is not recommended given Metro would not meet its security objectives without increasing other security assets.

A second alternative would be to not award the option year. The alternative of not proceeding with exercising this final option year is not recommended because this is a critical security program and Metro does not currently have in-place an alternative policy or strategy to provide this protection for our customers and employees.

## ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

Prepared by: Jack Eckles, Deputy Executive Officer, Safety and Security  
Daniel Cowden, Transit Security Manager

*Carolyn Flowers*

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Carolyn Flowers  
Interim Chief Operations Officer

*Roger Snoble*

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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: \$65,765,798	Recommended Price: \$62,524,539	
	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> \$65,765,798	<u>Revised Amount:</u>  \$62,524,539
	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	

\*The initial proposal submitted by LASD for FY08 was higher than the amount LACMTA budgeted for FY08. LASD will submit a revised proposal which reflects a deployment plan consistent with LACMTA's FY08 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 Metro over a five-year period 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 (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 number 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.

Modification numbers 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 number 3 added funding in the amount of \$49,054,950 for FY05 to cover service levels for FY05.

Modification number 4 was approved by the Board of Directors on July 15, 2004. Modification number 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 No. 5 was approved by the Board of Directors in May 2005. Modification No. 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 No. 6 was approved by the Board of Directors on August 25, 2005. Modification No. 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 training program.

Modification No. 7 was approved by the Board of Directors on June 22, 2006.

Modification No. 7 added funding in the amount of \$59,480,120 to cover service levels for FY07.

Modification No. 8 added \$100,000 to cover increased overtime at the Union Station complex as a result of the London bombings.

Modification No. 9 added an additional \$60,000 for project management responsibilities related to the Weapons of Mass Destruction training program.

Modification No. 10 was a no-cost modification which designated the LACMTA's newly appointed Deputy Executive Officer for Safety and Security as LACMTA's project manager under the MOU.

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

Service unit rates are established annually by the County Auditor-Controller's Office. As done previously, LACMTA's review of LASD's proposal shall consist of a mathematical accuracy check, a review of support documents from the Los Angeles County Auditor Controller's Office to verify proposed rates, a mathematical accuracy check, and a review of proposed deployment plan to ensure adequate service levels.

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

The recommended price of \$62,524,539 has been determined to be fair and reasonable based upon a comparison of the recommended price for FY08 versus the cost for these services during FY07. The cost increase represents a 7.4% increase over FY07.

**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%.