



ITEM ID: 2026-127-0

TRANSMITTAL DATE: February 20, 2026

MEETING DATE: February 27, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: Contract No. SP634-26 - External Disadvantaged Business Enterprise and Labor Compliance Services

Issue

The Authority requires a consultant to administer its Disadvantaged Business Enterprise (DBE) and Labor Compliance (LC) programs and perform ongoing enforcement to ensure that the Authority's contractors comply with all applicable state and federal laws and regulations.

Recommendation

It is recommended that the Board authorize the Chief Executive Officer to award Contract No. SP634-26 for External Disadvantaged Business Enterprise and Labor Compliance Services to TSG Enterprises, Inc. dba The Solis Group in a total not-to-exceed contract authority of \$1,500,000 for a base period of two years with one two-year option, to be exercised at the discretion of the Authority's CEO. Work under this contract will be authorized through the Contract Task Order process on an as-needed basis. The award is subject to resolution of any timely-filed protests.

Strategic Commitment

This report aligns with the Strategic Business Plan Commitment of:

- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving by ensuring compliance with statutory and regulatory DBE and Labor Compliance requirements associated with receiving state and federal grant funding.

Background

The United States Department of Transportation published an Interim Final Rule (IFR) in the Federal Register on October 3, 2025, which updates 49 CFR Parts 23 and 26 governing the Disadvantaged Business Enterprise and Airport Concession Disadvantaged Business Enterprise Programs.

The IFR requires the Authority to operate the DBE Program in a constitutionally compliant nondiscriminatory manner. It eliminates all race and sex-based presumptions of disadvantaged and replaces them with a strictly individualized determination standard. The California Unified Certification Program is in the process of reevaluating all DBE firms under the new criteria before their eligibility can be confirmed. Until the reevaluation is complete, DBE goals cannot be set on contracts, and no DBE participation may be counted toward any DBE goal. Once the reevaluation is completed, the Authority will be required to meet all elements of the IFR.

The Authority also administers a Labor Compliance Program pursuant to prevailing wage and other labor compliance requirements applicable to state and federally assisted public works contracts.

Discussion

On October 14, 2025, the Authority released a Request for Proposals (RFP) No. SP634-26 for on-call DBE and Labor Compliance services. The solicitation was published in the five member counties, as well as posted on the Authority's online procurement portal. Notices were also emailed to firms registered on the Authority's online procurement Portal. 1,269 vendors were notified, 45 downloaded the solicitation. On October 23, 2025 the Pre-Proposal Conference was held with 13 attendees, representing eight firms, during which 34 questions were asked and answered. By the November 25 due date, 13 proposals were received.

Proposals were independently reviewed by two Senior Contract & Compliance Administrators to determine responsiveness. All 13 firms were found responsive and moved on to the evaluation phase.

Proposals were evaluated in accordance with the Authority's procurement policies and procedures. A Technical Evaluation Committee, consisting of three Authority staff members, reviewed and scored the technical proposals and six firms met the minimum qualifications with a technical score of 49 or greater, per the RFP requirements.

Price scores were calculated based on the advertised calculation formula to form the final scores as follows:

FIRM NAME	TECHNICAL SCORE (70 max)	PRICE SCORE (30 max)	TOTAL SCORE
Cumming Group	56.34	15.09	71.43
Destination Enterprises	55.01	3.10	58.11

GCAP Services, Inc.	54.67	27.92	82.59
Padilla & Associates, Inc.	54.00	12.52	66.52
Petteway Management Group	52.33	2.05	54.38
TSG Enterprises, Inc.	56.67	30.00	86.67

Staff recommends a contract be awarded to the highest-ranked proposer TSG Enterprises, Inc. dba The Solis Group to provide external DBE and Labor Compliance services on an on-call basis.

Budget Impact

The amount requested is included in the FY26 Operating Budget and its current year cost will be paid for using these funds. Amounts requested for future years will be covered by future budgets contingent upon their Board adoption.

Next Steps

Upon award by the Board, Staff will issue contract SP634-26 to TSG Enterprises, Inc. and provide a Notice to Proceed to begin services for external DBE and Labor Compliance services.

Prepared by: Donald Mayes, Disadvantaged Business Enterprise Liaison Officer
Tammi Phillips, Senior Contract and Compliance Administrator

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Presentation - DBE and Labor Compliance Services](#)