

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: July 25, 2017

CAO File No. 0150-10975-0000

Council File No. 10-1901

Council District: 1, 13, 14

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Economic and Workforce Development Department Transmittal dated May 30, 2017; Additional information received through July 10, 2017

Subject: **EAST LOS ANGELES SERVICE AREA BUSINESSSOURCE CENTER SYSTEM OPERATOR RE-OPENED REQUEST FOR PROPOSALS (RFP): FUNDING RECOMMENDATION**

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### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Approve the results of the re-opened City of Los Angeles BusinessSource Center (LABSC) System Operator for the East Los Angeles Service Area Request for Proposals (RFP), which recommends Barrio Planners Incorporated as the contract operator;
2. Authorize the General Manager of the Economic and Workforce Development Department (EWDD), or designee, to negotiate and execute an agreement with Barrio Planners Incorporated for the provision of System Operator services for the East Los Angeles Service Area, with funding in an amount not to exceed \$500,000 in Community Development Block Grant (CDBG) funds, for a retroactive term of 12 months effective April 1, 2017 through March 31, 2018, with an option to extend for three additional 12-month periods, subject to review and approval by the City Attorney as to form and legality, compliance with City contracting requirements and federal grant guidelines, and contingent on available grant funding;
3. Authorize and instruct the Controller, subject to availability of approved grant funding, to expend funds within the Community Development Trust Fund 424 Account 43P586, LA's BusinessSource, in an amount not to exceed \$500,000; and
4. Authorize the General Manager, EWDD, or designee, to prepare Controller instructions and/or make any technical adjustments consistent with Council and Mayor action on this report, subject to approval of the City Administrative Officer, and authorize and instruct the Controller to implement those instructions.

## **SUMMARY**

In a Transmittal dated May 30, 2017 (C.F. 10-1901), the Economic and Workforce Development Department (EWDD) requests Mayor and Council approval of the results of the re-opened Request for Proposal (RFP) issued on March 31, 2017 to select a system operator for the City of Los Angeles BusinessSource Center (LABSC) East Los Angeles Service Area. EWDD recommends approval of Barrio Planners Incorporated (Barrio Planners) as the selected contract operator with a score of 70 points. EWDD also requests authority to negotiate and execute a contract with Barrio Planners in an amount not to exceed \$500,000 with a retroactive 12-month term from April 1, 2017 through March 31, 2018. The funding source is Community Development Block Grant (CDBG) funds which are included in the adopted 43rd Program Year (2017-18) Housing and Community Development Consolidated Plan (C.F. 16-1091).

This Office recommends approval of EWDD's requests as outlined above, subject to approval of the City Attorney as to form and legality, compliance with the City's contracting policies, and availability of grant funds.

## **BACKGROUND**

On March 30, 2016, the Council approved recommendations from the Economic Development Committee (C.F. 10-1091) to approve the results of EWDD's 2016 Los Angeles BusinessSource Center (LABSC) RFP for eight of the nine service areas, with the exception of the result recommended for the East Los Angeles Service Area. The Council instructed EWDD to re-open the RFP process for this Service Area and submit the selected contractor for review and approval. EWDD was also instructed to continue the contract with the existing East Los Angeles Service Area provider, Barrio Planners, on a month-to-month basis pending the completion of the re-opened RFP process. The existing LABSC contract for the East Los Angeles Service Area expired on March 31, 2017.

In June 2016, EWDD released the re-opened RFP process for the East Los Angeles Service Area BusinessSource Center Operator. Only one eligible bid, Barrio Planners, was received by the August 5, 2016 deadline.

The EWDD states that the re-opened RFP process was based on the model and criteria requirements of the 2016 LABSC RFP. The 2016 LABSC RFP introduced the following system changes: bonus points for alternate service locations (without adding to required hours of operation), certification as a Community Development Financial Institution, and cash leverage with one bonus point for every \$100,000 in cash leverage identified in the proposers leverage narrative. EWDD states a new team of third party volunteer evaluators with expertise in business assistance and finance was recruited to provide evaluation of eligible bids in the re-opened RFP process. The bid from Barrio Planners received a score of 70. Additional information related to the proposal scoring and evaluation criteria are included in EWDD's transmittal. Each of the BusinessSource Center Operators in the other eight Service Areas are contracted for \$500,000 for a 12-month period with three remaining options to renew for 12-month periods.

As the East Los Angeles Service Area Provider, Barrio Planners will follow the LABSC Model, which focuses on three business target populations: microenterprise pre-startups (entrepreneurs), microenterprise startups (new owners), and operating small businesses (existing owners). The expected outcomes for these target populations are business expansion, development of needed goods and services in underserved communities, and job creation/retention. Barrio Planners will perform work designed to achieve outcomes tied to specific metrics for each LABSC. These metrics are included in EWDD's Transmittal.

## **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The recommendations in this report comply with the City Financial Policies in that Community Development Block Grant funds support funding for the contract operator of the East Los Angeles BusinessSource Center.

*RHL:SAM:02180002C*