

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to Request for Proposals (RFP) for contractors to operate the City of Los Angeles Business Source Centers (LABSC).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the results of the 2015 LABSC RFP issued in September 2015 to implement the LABSC System as detailed in the March 18, 2016 City Administrative Officer (CAO) report, attached to the Council file, with the exception of the East Los Angeles Service Area.
2. INSTRUCT the Economic and Workforce Development Department (EWDD) to reopen the RFP process for LABSC System Operator for the East Los Angeles Service Area.
3. DIRECT the General Manager, EWDD, or designee, upon completion of the RFP evaluation process for the LABSC System Operator for the East Los Angeles Service Area, to submit recommendation(s) for contractor selection(s) to the Mayor and City Council for review and approval.
4. INSTRUCT and AUTHORIZE the EWDD to continue the contracts for the current LABSC System Operators for the East Los Angeles Service Area on a month-to-month basis pending the completion of the RFP process for said service area.
5. AUTHORIZE and INSTRUCT the General Manager, EWDD, or designee, to:
  - a. Negotiate and execute agreements with the program operators for the service areas, except for the East Los Angeles Service Area, as listed in the March 18, 2016 CAO report, attached to the Council file, with funding not to exceed \$500,000 in Community Development Block Grant (CDBG) funds per individual contract, for a term of 12 months effective April 1, 2016 through March 31, 2017 with an option to extend for four additional 12-month periods, subject to review by the City Attorney as to form and legality, compliance with City contracting requirements and federal grant guidelines, and contingent on available grant funding
  - b. Report to Mayor and Council for acceptance and allocation approval of any additional funds that are received for the LABSC beyond the base level of funding of \$4,500,000 in CDBG funds
6. AUTHORIZE and INSTRUCT the Controller, subject to availability of approved grant funding, to expend funds within the Community Development Trust Fund No. 424 Account No. 22N586, LA's BusinessSource, in an amount not to exceed \$4,500,000.
7. AUTHORIZE the General Manager, EWDD, or designee, to prepare Controller instructions and/or make any technical adjustments consistent with Council and Mayor actions in this matter, subject to approval of the CAO; and, AUTHORIZE and REQUEST the Controller to implement those instructions.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund.

Funding consists of \$4,500,000 in Community Development Block Grant funds which is included in the Mayor's proposed 42nd Program Year (2016-17) Housing and Community Development Consolidated Plan (Council File No. 15-1041), currently pending in Housing Committee.

Community Impact Statement: None submitted.

Summary:

On March 22, 2016, your Committee considered a February 24, 2016 EWDD and March 18, 2016 CAO reports relative to an LABSC RFP. According to the CAO, on September 16, 2015, Council authorized the EWDD to release an RFP to identify contractors to continue the operation of nine City of Los Angeles BusinessSource Centers and instructed the EWDD to report to Council with the results of the RFP.

The goal of the Economic and Workforce Development Department's LABSC RFP is to continue to increase the availability and array of business services in Los Angeles using a cost-efficient and effective system model. This model focuses on the following business target populations: Microenterprise Prestartups (entrepreneurs), Microenterprise Startups (new owners), and Operating Small Businesses (existing owners).

Pursuant to the RFP evaluation process, five service providers who received the highest score for each of the nine service areas are being recommended for funding to operate nine BusinessSource Centers. The nine BusinessSource Center service areas are listed in the March 18, 2016 CAO report, attached to the Council file, with the Council Districts served by the LABSC in each service area. The CAO report and provides a map of the BusinessSource Center service areas. The service areas were revised as part of this RFP process to more equally divide the City by need and geographic scope. Finally, the 2105 LABSC RFP included several system changes designed to ensure uniformity in the quality and type of services offered at each LABSC, and delineate the services between microenterprise or startup incubation and more established small businesses.

The CAO then stated that the EWDD has operated the Los Angeles BusinessSource Center System for the last four years, providing small businesses with the services and resources necessary to help them grow and remain competitive within the City of Los Angeles. The System also supports startup ventures to launch viable businesses.

Representatives from the CAO and EWDD presented an overview of the RFP process and answered questions from the Committee members. After further consideration and having provided an opportunity for public comment, the Committee recommended approval of the recommendations contained in the March 18, 2016 CAO report and detailed in the above recommendations. Additionally, the recommendation was made to exclude the East Los Angeles Service Area from the RFP and re-do the RFP process for this area. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	YES
KREKORIAN:	YES
MARTINEZ:	YES
HARRIS - DAWSON:	YES

ARL  
3/22/16

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**