

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to funding recommendations and proposed contract for the East Los Angeles Service Area BusinessSource Center System Operator re-opened Request for Proposals (RFP).

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

1. NOTE and FILE the May 30, 2017 Economic and Workforce Development Department (EWDD) report, attached to the Council file, relative to funding recommendations and proposed contract for the East Los Angeles Service Area BusinessSource Center System Operator re-opened RFP.
2. APPROVE the final results of the re-opened City of Los Angeles BusinessSource Center (LABSC) System Operator for the East Los Angeles Service Area RFP, which recommends Barrio Planners Incorporated (Barrio Planners) as the contract operator, as detailed in the July 26, 2017 EWDD report, attached to the Council file.
3. AUTHORIZE the General Manager, EWDD, or designee, to negotiate and execute an agreement with Barrio Planners 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.
4. AUTHORIZE the Controller, subject to availability of approved grant funding, to expend funds within the Community Development Trust Fund No. 424, Account 43P586, LA's BusinessSource, in an amount not to exceed \$500,000.
5. AUTHORIZE the General Manager, EWDD, or designee, to prepare Controller instructions and/or make any technical adjustments consistent with Council and Mayor action taken as detailed in the July 26, 2017 EWDD report, attached to the Council file, subject to approval of the City Administrative Officer (CAO); and, AUTHORIZE the Controller to implement those instructions.

Fiscal Impact Statement: The EWDD reports that there is no General Fund impact. The LABSC System is funded entirely through the City's Community Development Block Grant Program with funds allocated on an annual basis through the Consolidated Plan process. A new contract with the applicant determined to be the most qualified respondents to the LABSC operator for the East Los Angeles Service Area RFP will be for 12 months for Program Year 2017-18, with the option of three additional one-year renewal periods, subject to available funding and provider performance.

Community Impact Statement: None submitted.

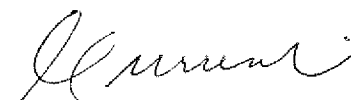
Summary:

On August 8, 2017, your Committee considered July 25, 2017 CAO and May 30, 2017 and July 26, 2017 EWDD reports relative to funding recommendations and proposed contract for the East Los Angeles Service Area BusinessSource Center System Operator re-opened RFP. According to the CAO, on March 30, 2016, Council approved recommendations from the Economic Development Committee (Council File No. 10-1091) to approve the results of EWDD's 2016 LABSC RFP for eight of the nine service areas, with the exception of the result recommended for the East Los Angeles Service Area. Council instructed the EWDD to re-open the RFP process for this Service Area and submit the selected contractor for review and approval. The 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.

The 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 (in Committee, the EWDD amended the score to read 87 and noted that the figure of 70 was an error). 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.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the July 26, 2017 EWDD report. Additionally, the Committee noted that the EWDD report also incorporates the amendment of the proper score from 70 to 87. This matter is now submitted to Council for its consideration.



Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

MEMBER VOTE

PRICE: YES

BUSCAINO: YES

HUIZAR: YES

ARL

8/8/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-