



ANTONIO R. VILLARAIGOSA
MAYOR

February 28, 2013

Honorable Members of the City Council
c/o City Clerk
Room 395, City Hall

Re: Acceptance and Implementation of Sub-Recipient Grant Award to operate the MBDA Business Center (formerly known as LA MBOC) effective April 1, 2011 through March 31, 2016; and Annual MED Week Awards Event

Honorable Members:

The Mayor's Office requests approval to retroactively accept the 2011 Minority Business Development Agency (MBDA) Business Center Program grant funds in the amount of \$200,000, and to retroactively approve the Contractual Agreement with the University of Southern California Government & Civic Engagement (USC-GCE) executed and submitted as part of the joint application process to the MBDA, effective April 1, 2011 through March 31, 2016.

This program was formerly known as Los Angeles Minority Business Opportunity Center (LA MBOC). However, effective April 1, 2011, as a result of restructuring at the agency, the program was redesigned and the program name changed to the MBDA Business Center-Los Angeles (Center). MBDA also reduced the number of funded Centers nationwide, including Los Angeles. The Mayor's Office entered into a partnership with USC-GCE to jointly apply to MBDA to operate the Center. As a result, the City is no longer the sole applicant and recipient of this grant.

USC and the City work together as one center with two locations (City Hall and USC-GCE) to achieve program outcomes, collaborate on all special events, committees and outreach activities pertaining to the Center program, with the exception of the Annual MED Week Awards event. The City of Los Angeles is solely responsible for the MED Week event. The purpose of this event is to recognize and promote the achievements of minority-owned business enterprises. The event also serves as a fundraising vehicle through the solicitation of corporate sponsorships and to provide year round financial support for program services.

The total amount awarded to the City of Los Angeles is \$500,000 for the five year period, or \$100,000 each year. To date, the City has received \$100,000 for Program Year One (April 1, 2011 to March 31, 2012) and \$50,000 for Program Year Two (April 2, 2012 to March 31, 2013).

In addition to the brokering and matchmaking services, and securing contracts and financing, the new program requires that each Center provide strategic business consulting services to program clients. Also, the MBDA now requires that each funded Center generate program income defined as client fees and third-party cash contributions.

The annual program outcomes include securing \$100 million or more in contracts and financing for minority owned firms, serve up to 115 firms and create at least 150 new jobs. In Program Year One the Center secured \$62,418,384 in contracts and financing, served 118 firms and created 206 new jobs. So far, in Program Year Two the Center has secured \$63,743,545 in contracts and financing, served 154 firms and created 273 new jobs. Also, the program received the 2012 National Performance Award for Exports, presented by MBDA for securing \$6.5 million in export transactions.

The MBDA Business Center- L.A. staffing consists of four full-time positions and one part-time position. However, only two of the four full-time positions and the one part-time position are allocated 100 percent to the program. The other full-time positions are allocated to the program 40 percent and 10 percent, respectively, as follows:

Number	Class Code	Classification Title	Allocation	Status
1	0142	Mayoral Aide II	100%	Part Time
1	0145	Mayoral Aide V	40%	Full Time
1	0146	Mayoral Aide VI	100%	Full Time
1	0147	Mayoral Aide VII	100%	Full Time
1	0148	Mayoral Aide VIII	10%	Full Time

Council action is necessary to accept the sub-award and all program income including cash and in-kind contributions for the Annual MED Week event. The primary purpose for entering into a partnership with USC was to reduce or eliminate the General Fund match for this program. There is no fiscal impact to the General Fund as program expenditures are covered by a combination of grant funds and program revenues. The forthcoming recommendations and related actions are necessary to reconcile Program Year One activities, implement Program Year Two activities and clean up uncommitted balances from 1994 to 2010.

RECOMMENDATIONS FOR COUNCIL ACTION, subject to the approval of the Mayor:

Accept the MBDA sub-award from the University of Southern California (USC), program income, defined by the MBDA as client fees for services provided and corporate sponsorship for the Annual MED Week Awards Event, as follows:

1. Authorize the Mayor to retroactively accept the agreement with USC and the MBDA for the MBDA Business Center- Los Angeles five year program commencing April 1, 2011 through March 31, 2016;
2. Authorize the Mayor's Office to retroactively accept the award of \$200,000 for Program Years One and Two commencing April 1, 2011 to March 31, 2013.
3. Authorize the City of Los Angeles, through the Mayor's Office, to retroactively accept the deposit of all cash generated from program income collected in Program Year One commencing April 1, 2011 to March 31, 2012, in an amount of \$98,089.25 to Fund 575, Department 46.
4. Authorize the Mayor's Office to retroactively accept and deposit program income up to \$250,000 into Fund 575, Department 46 for FY 2012-2013, and appropriate the \$250,000 to Fund 575, Account J205.
5. For Program Year One commencing April 1, 2011 to March 31, 2012, authorize the Controller to:
 - a. Rename Fund 575 MBDA Business Center Los Angeles and establish new appropriation Accounts within Fund 575, Department 46 as follows:

Account No.	Title
J046	Reimburse-Prior Year Salary Expenditures
J146	Salaries Mayor-MBDA
J201	Travel
J202	Supplies
J203	Other (Outreach events, promotions, printing, parking, training, registrations, memberships)
J204	Contractual Services
J205	Program Income

- b. Establish a receivable within Fund 575 to accept the grants award in an amount of \$100,000 for Program Year One.
 - c. Appropriate \$100,000 of program award to Fund 575, Account J046- Mayor – MBDA Salaries Reimbursed.

- d. Transfer \$96,164.15 from Fund 575 to the EDA Infrastructure Fund 649 to reimburse the General Fund, Account 001020 for Program Year One salaries as follows:

From:			
Fund/Dept	Account	Account Name	Amount
575/46	J046	Mayor – MBDA Salaries Reimburse	\$96,164.15
To:			
Fund/Dept	RSC	Revenue Source Code Name	Amount
649/46	5301	Reimbursement from Other Funds	\$96,164.15

- e. Appropriate \$95,089.25 of program income collected in Program Year One as follows:

Fund/Dept	Account	Account Name	Amount
575/46	J205	Program Income	\$80,875.62
575/46	J203	Other	8,000.00
575/46	J202	Supplies	2,213.63
575/46	J201	Travel	4,000.00
Total:			\$95,089.25

- f. Transfer \$80,875.62 from MBDA Business Center Los Angeles Fund 575 to the Revolving Loan Fund 303 to reimburse Program Year One salaries as follows:

From:			
Fund/Dept	Account	Account Name	Amount
575/46	J205	Program Income	\$80,875.62
To:			
Fund/Dept	RSC	Revenue Source Code Name	Amount
303/46	5301	Reimbursement from Other Funds	\$80,875.62

6. For Program Year Two commencing April 1, 2012 to March 31, 2013, authorize the Controller to:

- a. Establish a receivable within Fund 575 to accept the grants award in an amount of \$100,000 for Program Year Two.

- b. Appropriate \$100,000 of program award to Fund 575, Account J046- Mayor – MBDA Salaries Reimbursed for Program Year Two commencing April 1, 2012 to March 31, 2013.
- c. Transfer \$103,835.85 from MBDA Business Center Los Angeles Fund 575 to the General Fund to reimburse Program Year Two salaries as follows:

From:			
<u>Fund/Dept</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
575/46	J046	Mayor – MBDA Salaries Reimburse	\$ 103,835.85
To:			
<u>Fund/Dept</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
100/46	001020	Salaries – Grant Reimbursed	\$ 103,835.85

- d. Transfer \$57,513.15 of the program income from MBDA Business Center Los Angeles Fund 575 to General Fund to reimburse Program Year Two salaries as follows:

From:			
<u>Fund/Dept</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
575/46	J205	Program Income	\$ 57,513.15
To:			
<u>Fund/Dept</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
100/46	001020	Salaries – Grant Reimbursed	\$ 57,513.15

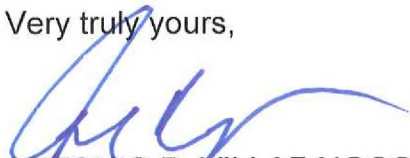
- e. Decrease all uncommitted balances within Fund 575 for all appropriation accounts from Budget Fiscal Years 1994 to 2010.
7. Instruct the Controller to expend and receive funds upon proper demand by the Mayor’s Office of Economic and Business Policy.
 8. Authorize by resolution the following one position within the Office of the Mayor for the 2012-2013 Fiscal Year, this position was inadvertently left out of the 2012-2013 Personnel Authority Resolution due to staff turnover:
 - a) Class Code Classification Title
 0145 Mayoral Aide V
 9. Authorize the Mayor’s Office to prepare Controller’s instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions:

Budget for MBDA Business Center, Program Year 2013

Fund 575 Cash Balance	\$350,050
Grant/Program Income	\$150,000
Total	\$500,050
Less:	
FY 2012 Salaries	\$177,040
FY 2013 Salaries	\$161,349
Total Program Salaries	\$338,389
Expense Accounts:	
Travel	\$4,000.
Supplies	\$2,213
Other	\$8,000
Total Expense Accounts	\$14,213
2013 Budget Total	\$352,602

There is no fiscal impact to the General Fund relative to entering into a partnership with the University of Southern California to operate the MBDA program. Under the previous LA MBOC program, the City received \$300,000 in grant funding on an annual basis but was required to provide a \$287,000 General Fund match. This collaboration has eliminated the burden on the General Fund, and allows the City to retain the ability to continue providing vital support services to the minority business community.

Very truly yours,



ANTONIO R. VILLARAIGOSA
Mayor

ARV:ls

Attachment: Agreement with University of Southern California



OFFICE OF THE MAYOR
ANTONIO R. VILLARAIGOSA

**CONTRACTUAL AGREEMENT
BETWEEN
UNIVERSITY OF SOUTHERN CALIFORNIA
GOVERNMENT AND CIVIC ENGAGEMENT
AND
CITY OF LOS ANGELES, MAYOR'S OFFICE OF
ECONOMIC AND BUSINESS POLICY**

January 5, 2011

This contractual agreement is hereby made and entered into by and between the University of Southern California Government and Civic Engagement (USC-GCE) and the City of Los Angeles, Mayor's Office of Economic & Business Policy (OEBP).

This contractual agreement is to outline the terms of this partnership for University of Southern California to submit an application for funding to operate the Minority Business Development Agency (MBDA) Business Center in Los Angeles. Under this agreement USC-GCE is the applicant therefore, USC will serve as the lead and operator for the MBC program. Sergio Gascon, Executive Director of Minority Business Enterprise Center USC, will be the Executive Project Director and responsible for comprehensive oversight, general delivery of all program services.

The total grant award will be \$365,000 each year for a period of 5 years and of this amount the City of Los Angeles OEBP shall receive \$100,000 each year for a period of 5 years as a contractual consultant as outline in the budget. The City is to provide services in the area of *government and private sector procurement as its primary function*. The City of Los Angeles OEBP shall be required to achieve at least 30% of the Project's Estimated Total Value of Awarded Transactions Goal as follows:

	Overall Goal	Procurement Amount Needed – 30%
Year 1 4/1/11 - 3/31/12	\$ 99,147,286	\$29,744,186
Year 2 4/1/12 – 3/31/13	\$129,570,329	\$38,871,099
Year 3 4/1/13 – 3/31/14	\$157,031,858	\$47,109,558
Year 4 4/1/14 – 3/31/15	\$157,031,858	\$47,109,558
Year 5 4/1/15 – 3/31/16	\$157,031,858	\$47,109,558

Terms of this Contractual Agreement shall be April 1, 2011 to March 31, 2016 and is contingent upon award and acceptance of the MBDA grant. This agreement cannot be amended or include additional addendums. The contractual agreement contains terms and conditions mutually acceptable to each of the parties and upon execution, is binding as it relates to the various ways in which USC-GCE and City of Los Angeles OEBP agree to perform in the manner set forth below:

- USC will maintain full leadership as the lead operator of the program and provide guidance to The City of Los Angeles OEBP in execution of this agreement.
- USC and The City of Los Angeles OEBP will work together to collaborate on all outreach special events, committees, network outreach pertaining to the MBC program under USC's guidance and direction.
- USC and The City of Los Angeles OEBP (Sub-Contractor) will recruit 30% of each year's Total Client Served goal of eligible minority enterprises. Year 1 total goal is 60 clients and Year 2-5 total goal is 75 clients each year. USC will do the remaining 70%.
- USC and The City of Los Angeles OEBP shall provide monthly report outcomes on the 30th of each month to include a pipeline (work in progress) report to the Executive Project Director. Reporting will start 30 days after the award is received.
- USC-GCE shall receive program income as agreed by the City of Los Angeles, as per the following:

	Client fee*	Success Fees**	Total
1. Year One:	\$50,000	\$24,167	\$74,167
2. Year Two:	\$50,000	\$31,582	\$81,582
3. Year Three:	\$50,000	\$38,276	\$88,276
4. Year Four:	\$50,000	\$38,276	\$88,276
5. Year Five:	\$50,000	\$38,276	\$88,276

*Client fees for each of the five years = 200 clients @\$250.00 = \$50,000

**Success Fees:

	LA City Goals			
Year One	\$29,744,186	x	.00081249%	\$24,167.
Year Two	\$38,871,099	x	.00081249%	\$31,582.
Year Three	\$47,109,558	x	.00081249%	\$38,276.
Year Four	\$47,109,558	x	.00081249%	\$38,276.
Year Five	\$47,109,558	x	.00081249%	\$38,276.

Any Program Income collected by the City of Los Angeles, above the stated amount, must be returned for the operation of the program, in compliance with MBDA grants policy and procedures.

- All communications, reporting and accessing the portal system must be done through USC as the MBC Operator.
- All documentation on closed transactions must be submitted to USC within 48 hours of transactions closing date. USC as the operator must input all transactions in compliance with MBDA requirements.
- USC-GCE shall coordinate weekly meetings to ensure performance is on target and all terms are satisfied.

The foregoing terms of this Contractual Agreement are hereby accepted.

University of Southern California
Government and Civic Engagement

By: Thomas S. Sayles
Name: Thomas S. Sayles
Title: Vice President

City of Los Angeles
Mayor's Office of Economic & Business Policy

By: Gaye Williams
Name: Gaye Williams
Title: Senior Managing Director

U. S. DEPARTMENT OF COMMERCE

GRANT COOPERATIVE AGREEMENT

FINANCIAL ASSISTANCE AWARD

AWARD NUMBER
MB11SFR8050004

RECIPIENT NAME University of Southern California

STREET ADDRESS USC Dept. of Contracts & Grants, University Park Campus, 837 W. Downey	FEDERAL SHARE OF COST \$121,667.00
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CITY, STATE, ZIP CODE Los Angeles CA 90089-1147	RECIPIENT SHARE OF COST \$161,675.00
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AWARD PERIOD 04/01/2011-03/31/2016	TOTAL ESTIMATED COST \$283,342.00
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AUTHORITY Executive Order 11625 and 15 U.S.C. 1512

CFDA NO. AND PROJECT TITLE
11.805 MBDA Business Center - Los Angeles, California

This award offer approved by the Grants Officer constitutes an obligation of Federal funding. By accepting this award offer, the Recipient agrees to comply with the award Terms and Conditions checked below. If this was a paper issued award offer, please send two signed documents to the Grants Officer and retain one set of signed award documents for your files. If this award offer is not accepted without modification within 30 days of receipt, the Grants Officer may unilaterally withdraw this award offer and de-obligate the funds.

- Department of Commerce Financial Assistance Standard Terms and Conditions
- Government Wide Research Terms and Conditions
- Bureau Specific Administrative Standard Award Conditions
- Award Specific Special Award Conditions
- Line Item Budget
- 15 CFR Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Non-Profit, and Commercial Organizations
- 15 CFR Part 24, Uniform Administrative Requirements for Grants and Agreements to States and Local Governments
- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circular A-122, Cost Principles for Non-Profit Organizations
- 48 CFR Part 31, Contract Cost Principles and Procedures
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
- Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements
REF: 73 FR 7696 (February 11, 2008).
- Other(s)
FRN Vol 75, No. 186 pg. 59228, dated September 27, 2010

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER Janet Russell	TITLE Grants Officer	DATE 03/30/2011
TYPE NAME AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL Katie Rountree	TITLE	DATE 04/22/2011

Research Subaward Agreement

Institution/Organization ("Prime Recipient") Name: University of Southern California		Institution/Organization ("Subrecipient") Name: City of Los Angeles, Mayors Office of Economic and Business Policy	
Prime Award No. <p style="text-align: center;">MB11SFR8050004</p>	CFDA No. 11.805	Subaward No.	
Awarding Agency <p style="text-align: center;">US Department of Commerce</p>	Amount Funded this Action <p style="text-align: center;">\$33,333.00</p>	Est. Total (if incrementally funded) <p style="text-align: center;">\$100,000.00</p>	
Subaward Period of Performance			
Budget Period: 4/1/2011– 7/31/2011		Estimated Project Period (if incrementally funded) 4/1/2011– 7/31/2011	
Project Title City of Los Angeles			
Reporting Requirements [Check here if applicable: X See Attachment 4		<input type="checkbox"/> ARRA Funds (Attachment 4A)]	

Terms and Conditions

- 1) Prime Recipient hereby awards a cost reimbursable subaward, as described above, to Subrecipient. The statement of work and budget for this subaward are (check one): as specified in Subrecipient's proposal dated _____; or **XX** as shown in Attachment 5. In its performance of subaward work, Subrecipient shall be an independent entity and not an employee or agent of Prime Recipient.
- 2) Prime Recipient shall reimburse Subrecipient not more often than monthly for allowable costs. All invoices shall be submitted using Subrecipient's standard invoice, but at a minimum shall include current and cumulative costs (including cost sharing), subaward number, and certification as to truth and accuracy of invoice. *Invoices that do not reference Prime Recipient's subaward number shall be returned to Subrecipient.* Invoices and questions concerning invoice receipt or payments should be directed to the appropriate party's Principal Investigator Contact, as shown in Attachment 3.
- 3) A final statement of cumulative costs incurred, including cost sharing, marked "FINAL," must be submitted to Prime Recipient's Principal Investigator, as shown in Attachment 3, NOT LATER THAN sixty (60) days after subaward end date. The final statement of costs shall constitute Subrecipient's final financial report.
- 4) All payments shall be considered provisional and subject to adjustment within the total estimated cost in the event such adjustment is necessary as a result of an adverse audit finding against the Subrecipient.
- 5) Matters concerning the technical performance of this subaward should be directed to the appropriate party's Principal Investigator, as shown in Attachment 3. Technical reports are required as shown above, "Reporting Requirements."
- 6) Matters concerning the request or negotiation of any changes in the terms, conditions, or amounts cited in this subaward agreement, and any changes requiring prior approval, should be directed to the appropriate party's Administrative Contact, as shown in Attachment 3. Any such changes made to this subaward agreement require the written approval of each party's Authorized Official, as shown in Attachment 3.
- 7) Each party shall be responsible for its negligent acts or omissions and the negligent acts or omissions of its employees, officers, or directors, to the extent allowed by law.
- 8) Either party may terminate this subaward with thirty (30) days written notice to the appropriate party's Administrative Contact, as shown in Attachment 3. Prime Recipient shall pay Subrecipient for termination costs as allowable under OMB Circular A-21 or A-122 or 45 CFR part 74 Appendix E, "Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with Hospitals" as applicable.
- 9) No-cost extensions require the approval of the Prime Recipient. Any requests for a no-cost extension should be addressed to and received by the Administrative Contact, as shown in Attachment 3, not less than thirty days prior to the desired effective date of the requested change.
- 10) The Subaward is subject to the terms and conditions of the Prime Award and other special terms and conditions, as identified in Attachment 2.
- 11) By signing below Subrecipient makes the certifications and assurances shown in Attachments 1 and 2 and agrees to comply with all applicable terms contained in Attachment 6.

By an Authorized Official of Prime Recipient:

By an Authorized Official of Subrecipient:

Date

Haye Williams _____

5-26-2011

Date

Research Subaward Agreement – Amendment


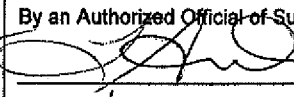
Prime Recipient		Subrecipient	
Institution/Organization ("Prime Recipient") Name: University of Southern California Address: Department of Contracts & Grants 837 West Downey Way Los Angeles, CA 90089-1147		Institution/Organization ("Subrecipient") Name: The City of Los Angeles, Mayor's Office of Economic and Business Policy Address: 200 North Spring Street, 13 th Floor LA, CA 90012-4801	
Prime Award No. MB11SFR8050004		Subaward No.: 153317	Principal Investigator: Linda Smith
Effective Date of Amendment: 7/31/2011		Amendment No.: 01	

Amendment(s) to Original Terms and Conditions

This Amendment modifies the subaward as follows:

- 1) The value of the award has been increased by \$66,667 for a new total value of \$100,000
- 2) The period of performance has been extended through March 31, 2012.
- 3) Attachment 5 has been amended to include incremental Budget.
- 4) The USC Financial Contact has been changed to:
 Norma Bernal – Project Coordinator
 Telephone: 213-821-2541
 Email:

All other terms and conditions of this Subaward Agreement remain in full force and effect.

By an Authorized Official of Prime Recipient:  <hr/> Name Ivan Rukavina Title Contract & Grant Admin-Subcontracts	By an Authorized Official of Subrecipient:  <hr/> Name LINDA SMITH Title MANAGING DIRECTOR
Date 2/27/12	Date 3/27/12

Research Subaward Agreement – Amendment

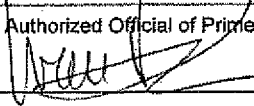
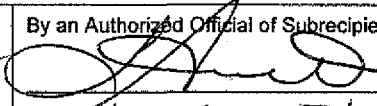
Prime Recipient		Subrecipient	
Institution/Organization ("Prime Recipient") Name: University of Southern California Address: Department of Contracts & Grants 837 West Downey Way Los Angeles, CA 90089-1147		Institution/Organization ("Subrecipient") Name: The City of Los Angeles, Mayor's Office of Economic and Business Policy Address: 200 North Spring Street, 13 th Floor LA, CA 90012-4801	
Prime Award No. MB11SFR8050004		Subaward No.: 153317	Principal Investigator: Linda Smith
Effective Date of Amendment: 3/31/2012		Amendment No.: 02	

Amendment(s) to Original Terms and Conditions

This Amendment modifies the subaward as follows:

- 1) The value of the award has been increased by \$100,000 for a new total value of \$200,000.
- 2) The period of performance has been extended through March 31, 2013.
- 3) Attachment 5 has been amended to include incremental Budget.

All other terms and conditions of this Subaward Agreement remain in full force and effect.

By an Authorized Official of Prime Recipient:  <hr/> Name Ivan Rukavina Title Contract & Grant Admin-Subcontracts	By an Authorized Official of Subrecipient:  <hr/> Name LINDA SMITH Title MANAGING DIRECTOR
Date 4-20-12	Date 4-23-12