

ERIC GARCETTI
MAYOR

February 10, 2016

Honorable Members of the City Council
c/o City Clerk
200 North Spring Street, Room 395
Los Angeles, CA 90012

Re: Retroactive Acceptance of the Sub-Recipient Grant Award of \$100,000 from the U.S. Department of Commerce, Minority Business Development Agency (MBDA) to operate the Minority Business Center – Los Angeles (MBC-LA) for Program Year Four, effective April 1, 2015 through March 31, 2016.

Honorable Members:

In 2011, the Mayor's Office of Housing and Economic Development and the University of Southern California Government and Civic Engagement (USC-GCE) were awarded a five-year Minority Business Center (MBC) Program Grant from the U.S. Department of Commerce, Minority Business Development Agency (MBDA) effective April 1, 2011 through March 31, 2016. Under the Memorandum of Understanding Agreement, USC-GCE is the primary recipient and the City is the sub-recipient. The sub-recipient award is \$500,000 or \$100,000 annually over the five year period. The Mayor's Office is requesting retroactive approval to accept the 2015-2016 MBC Program Grant Funds in the amount of \$100,000 for the 2016 Program Year Five (April 1, 2015 – March 31, 2016). The Mayor's Office also requests acceptance of all program revenues generated through client fees and third party contributions.

The mission of Minority Business Center–Los Angeles (MBC-LA) is to provide minority-owned businesses with access to public and private sector contract and procurement opportunities, as well as access to business resources that will enhance their development and sustainability in the domestic and international marketplace. USC-GCE

and the City work together collaboratively to implement the MBC-LA program to stimulate business development, job creation and promotion of the long-term growth and self-sufficiency of minority businesses in Los Angeles. MBC-LA program offers technical assistance, strategic contract and procurement opportunities, business development, consulting services and educational forums to minority business enterprises.

Program Year 5 outcomes to date include securing \$273,248,663 in contracts, \$1,000,000 in financing, and creating 193 jobs. For the Program Year 4, the Center secured \$308,869,619 in contracts, \$7,852,585 in financing, created 283 new jobs, and served 121 clients.

The MBC-LA staffing for Program Year Five consists of three positions: one Mayoral Aide VI position allocates 100 percent of their time to the MBC-LA and the other two Mayoral Aide V positions allocate 50 percent of their time. The entire \$100,000 sub-recipient award for Program Year Five will be utilized for direct salary costs. Additionally, a portion of program income in the amount of \$50,000 received from third party cash donations and program income will be utilized for direct salary costs.

More specifically, MBC Grant funds and program income will be used to finance 100% percent of the three positions dedicated to the program. The portion of staff salary costs not paid by the grant for these staff total \$7,607 and is subsidized by the Mayor's Office 2015-16 Adopted Budget as part of the City non-federal cost share requirement for this grant.

	MBDA Grant	MBDA Program Income	City of Los Angeles In-Kind Match	Total
Salaries				
Mayoral Aide V		\$36,193.00	\$7,607.00	\$43,800.00
Mayoral Aide V	\$25,568.00			\$25,568.00
Mayoral Aide VI	\$74,432.00	\$13,807.00		\$88,239.00
Salaries Total	\$100,000.00	\$50,000.00	\$7,607.00	\$157,607.00

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

1. AUTHORIZE the Mayor's Office to retroactively accept the 2015-16 Minority Business Development Agency (MBDA) Business Center Program Grant sub-allocation from the University of Southern California Government and Civic Engagement (USC-GCE) in the amount of \$100,000 for Program Year Five, commencing April 1, 2015 to March 31, 2016;

2. AUTHORIZE the Mayor's Office to accept all cash generated through client fees and contributions up to \$100,000 and appropriate to Account 46M205 Program Income;
3. AUTHORIZE the Controller to:
 - a. Establish the following appropriation accounts within Fund 575/46 as follows:

Fund No	Account No	Account Name
575	46M146	Mayor Salaries
575	46M213	Travel
575	46M205	Program Income

- b. Establish a receivable for Program Year Five in the amount of \$100,000 in Fund 575/46;
- c. Increase appropriations in the amount of \$12,486.00 within Fund 575/46, Account 46M213 Travel;
- d. Reimburse the General Fund 100/46 for MBDA staff salaries on an as needed basis as follows:

FROM:

Fund/Dept	Account	Account Name	Amount
575/46	46M146	Mayor- Salaries	\$ 150,000
Total			\$ 150,000

TO:

Fund/Dept	Account	Account Name	Amount
100/46	001020	Salaries Grant Reimbursed	\$ 150,000
Total			\$ 150,000

4. Instruct the Controller to expend and receive funds upon proper demand by the Mayor's Office.
5. 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.

Fiscal Impact Statement

There is no additional impact to the General Fund relative to the retroactive acceptance of the 2015-16 MBDA Business Center Program Grant sub-allocation from USC-GCE. The Program Year Five total program cost is projected to be \$171,294. Of that amount, \$163,687 in salary costs and expenses will be reimbursed by the MBDA Grant, program income and contributions, with the balance of \$7,607 in salary costs funded by the Mayor's Office 2015-16 Adopted Budget.

	MBDA Grant	MBDA Program Income	City Of Los Angeles In-Kind Match	Total
Salaries	\$100,000.00	\$50,000.00	\$7,607.00	\$157,607.00
Expense Accounts				
Travel		\$12,486.00		\$12,486.00
Office Supplies		\$951.00		\$951.00
Contractual		\$250.00		\$250.00
Expense Accounts Total		\$13,687.00		\$13,687.00
Budget Total	\$100,000.00	\$63,687.00	\$7,607.00	\$171,294.00

Sincerely,


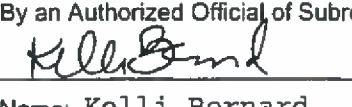


ERIC GARCETTI
Mayor

EG:mtl

Attachment: Contractual Agreement with USC

Research Subaward Agreement Amendment

Pass-through Entity (PTE)		Subrecipient	
PTE University of Southern California		Subrecipient The City of Los Angeles, Mayor's Office of Economic and Business Policy	
Address Department of Contracts and Grants, 3720 S. Flower St., 3rd Floor		Address 200 North Spring Street, 13th Floor	
City, State, Zip+4 (Country): Los Angeles, CA 90089		City, State, Zip+4 (Country): Los Angeles, CA 90012-4801	
PTE Principal Investigator (PI): Sergio Gascon		Subrecipient Principal Investigator (PI): Linda Smith	
PTE Federal Award No: MB11SFR8050004	FAIN:	Federal Awarding Agency: US Department of Commerce	
Project Title: City of Los Angeles			
Subaward Period of Performance: Start Date: Apr 1, 2011 End Date: Mar 31, 2016		Amount Funded This Action: \$ 100,000.00	Amendment No: 5 (64675873) Subaward No: 153317
Effective Date of Amendment: Aug 11, 2015	Total Amount of Federal Funds Obligated to date:	Subject to FFATA <input checked="" type="checkbox"/> Yes or <input type="checkbox"/> No	
Amendment(s) to Original Terms and Conditions This Amendment revises the above-referenced Research Subaward Agreement as follows:			
Action: This Subaward is hereby revised to include any and all applicable changes required by the implementation of 2 C.F.R. § 200 UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS.			
Action: The purpose of this amendment to Agreement 153317, awarded under the authority of Contract No. MB11SFR8050004, issued by the US Department of Commerce, is to increase the agreement and extend the period of performance.			
ESTIMATED COSTS: The total value of this award has been increased by \$100,000.00. Attachment 5 has been amended to include the supplemental budget and project as stipulated in the City of Los Angeles proposal.			
PERIOD OF PERFORMANCE: The period of performance is extended through March 31, 2016.			
All other terms and conditions of this Subaward Agreement remain in full force and effect.			
By an Authorized Official of Pass-through Entity:		By an Authorized Official of Subrecipient:	
			
Name: Amanda Clark	Date: 8/19/2015	Name: Kelli Bernard	Date: 8/18/15
Title: Contract and Grant Officer		Title: Deputy Mayor	



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:

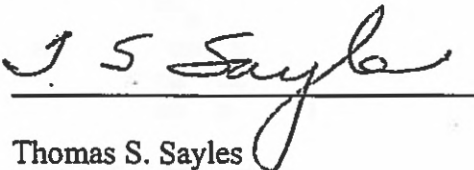
	LA City Goals			
Year One	\$29,744,186	x	.00081249%	\$24,167.
Year Two	\$38,871,099	x	.00081249%	\$31,582.
Year Three	\$47,109,558	x	.00081249%	\$38,276.
Year Four	\$47,109,558	x	.00081249%	\$38,276.
Year Five	\$47,109,558	x	.00081249%	\$38,276.

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.

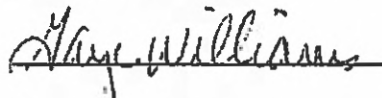
- All communications, reporting and accessing the portal system must be done through USC as the MBC Operator.
- All documentation on closed transactions must be submitted to USC within 48 hours of transactions closing date. USC as the operator must input all transactions in compliance with MBDA requirements.
- 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: 
Name: Thomas S. Sayles
Title: Vice President

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

By: 
Name: Gaye Williams
Title: Senior Managing Director

U. S. DEPARTMENT OF COMMERCE

**AMENDMENT TO
FINANCIAL ASSISTANCE AWARD**

GRANT COOPERATIVE AGREEMENT

ACCOUNTING CODE

AWARD NUMBER

MB11SFR8050004

RECIPIENT NAME
University of Southern California

AMENDMENT NUMBER

6

STREET ADDRESS
3720 S. Flower Street

EFFECTIVE DATE

04/01/2015

CITY, STATE, ZIP CODE
Los Angeles CA 90089-0001

EXTEND WORK COMPLETION TO

N/A

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

COSTS ARE REVISED AS FOLLOWS	PREVIOUS ESTIMATED COST	ADD	DEDUCT	TOTAL ESTIMATED COST
FEDERAL SHARE OF COST	\$1,535,000.00	\$365,000.00	\$0.00	\$1,900,000.00
RECIPIENT SHARE OF COST	\$2,030,560.00	\$520,842.00	\$0.00	\$2,551,402.00
TOTAL ESTIMATED COST	\$3,565,560.00	\$885,842.00	\$0.00	\$4,451,402.00

REASON(S) FOR AMENDMENT

1. To provide continued funding for the project referenced in NOAA Administrative Special Award Condition No. 4 of the original award, which is incorporated by reference.
2. To revise NOAA Administrative Special and Standard Award Conditions.
3. To incorporate DOC Financial Assistance Standard Terms and Conditions.

This Amendment approved by the Grants Officer is issued in triplicate and constitute an obligation of Federal funding. By signing the three documents, the Recipient agrees to comply with the Amendment provisions checked below and attached, as well as previous provisions incorporated into the Award. Upon acceptance by the Recipient, two signed Amendment documents shall be returned to the Grants Officer and the third document shall be retained by the Recipient. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally terminate this Amendment.

Special Award Conditions (Attachment B)

Line Item Budget (Attachment A)

Other(s) 1. 2 C.F.R. Part 200 "Uniform administrative requirements, cost principles, and audit requirements for Federal awards"
2. DoC Pre-Award Federal Register Notice: 79 FR 78390 (December 30, 2014)

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER

Kadija Baffoe Harding

TITLE

Grants Officer

DATE

03/30/2015

TYPE NAME AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL

Amanda Salazar

TITLE

Contract and Grant Officer

DATE

04/23/2015

Year 5 Budget: April 1, 2015 - March 31, 2016

				Federal Funds	Applicant (In-Kind)	Program Income	3rd Party Cash Contribution	Line Item
SOURCES:				100,000	182,665	88,276	30,000	400,941
USES:								
I. PERSONNEL	Salary	% On Program	Months					
Managing Director	\$ 47,968	50.00%	12		47,968			47,968
Business Consultant-Contracts	\$ 77,483	100.00%	12	77,483				77,483
Business Consultant-Finance	\$ 73,073	100.00%	12		27,111	45,962		73,073
Accounting & Client Relationship	\$ 30,244	50.00%	12	20,181	10,063			30,244
Project Coordinator II	\$ 48,577	100.00%	12		48,577			48,577
TOTAL PERSONNEL:				97,664	133,719	45,962		277,345
I. Fringe Benefits @ 22.21% of Personnel Expenses				\$2,336	33,392	25,870		\$61,598
TRAVEL				0	8,370	8,585	0	16,955
- Domestic				0				
TOTAL TRAVEL:				0	8,370	8,585		16,955
I. SUPPLIES								
- General Office Supplies				0	7,184	6,694		13,878
TOTAL SUPPLIES:				0	7,184	6,694	0	13,878
I. CONTRACTUAL								
- Consulting					0		0	0
TOTAL CONTRACTUAL:					0	0	0	0
OTHER								
- Outreach Events				0	0	0	30,000	30,000
- Promotions				0			0	0
- Printing				0			0	0
Postage								0
Membership						1,165		1,165
TOTAL OTHER:				0	0	1,165	30,000	31,165
Total Direct Charges				100,000	182,665	88,276	30,000	400,941
I. INDIRECT CHARGES @ 0% of Personnel Expenses or 30% of Direct					0			0
TOTALS				100,000	182,665	88,276	30,000	400,941
BALANCE OF FUNDS				0	0	0		0