

ERIC GARCETTI
MAYOR

January 28, 2014

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 Three, effective April 1, 2013 through March 31, 2014

Honorable Members:

In November 2010, the Mayor's Office of Housing and Economic Development and the University of Southern California Government and Civic Engagement (USC-GCE) submitted a joint application for the 2011 Minority Business Center (MBC) Program Grant to the U.S Department of Commerce, Minority Business Development Agency (MBDA). USC-GCE (primary) and the City (sub-recipient) executed and submitted a contractual agreement as part of the application process. The City was awarded a sub-recipient award in the amount of \$500,000, or \$100,000 annually over a five-year period effective April 1, 2011 through March 31, 2016. The Mayor's Office requests approval to accept the 2014 MBDA Business Center Program grant funds in the amount of \$100,000 for the third program year, commencing April 1, 2013 to March 31, 2014. The Mayor's Office also requests acceptance of all program revenue generated through client fees and contributions.

Since 1994, the Minority Business Center–Los Angeles (MBC-LA), formerly known as Los Angeles Minority Business Opportunity Center (LA MBOC), has performed a key role in promoting the growth and global competitiveness of the minority business enterprise community. The overall goal of the MBC Program is to stimulate business development, job creation and enhance the long-term growth and self-sufficiency of minority businesses. MBC-LA offers technical assistance, strategic contract and procurement opportunities, business development consulting services and educational forums.

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

The entire MBDA Grant sub-award in the amount of \$100,000 will be utilized for salary costs as discussed below. The other operating expenses such as supplies, travel and contractual services will be funded by client fees and third party cash contributions.

The MBC-LA staffing consists of five full-time positions. However, only two of the four full-time positions (Mayoral Aide V and Mayoral Aide VI) work 100 percent of their time on the MBDA program and 67 percent of their salaries which is \$98,249 is allocated toward the MBDA Grant. The remaining 33 percent of their salaries in the amount of \$48,391 is subsidized by the Mayor's Office 2013-14 Adopted Budget as part of the City cost share commitment under the subcontract agreement to operate the MBDA Business Center. The 10 percent of the salaries of the full-time Mayoral Aide VIII position, which is now vacant, is allocated toward the MBDA Grant, and the remaining portion of the salaries in the amount of \$15,549 is subsidized by the Mayor's Office 2013-14 Adopted Budget. The other two full-time positions (Mayoral Aide III and Mayoral Aide V) contribute 50 percent of their working hours to the MBDA program as part of the City's cost share commitment. This portion of their salaries totaling \$71,048 is subsidized by the Mayor's Office 2013-14 Adopted Budget. The total matching amount for Program Year Three is \$134,988 as shown below:

Number	Class Code	Classification Title	Grant Allocation	Status
1	0143	Mayoral Aide III	0%	Full Time
1	0145	Mayoral Aide V	0%	Full Time
1	0145	Mayoral Aide V	67%	Full Time
1	0146	Mayoral Aide VI	67%	Full Time
1	0148	Mayoral Aide VIII	10%	Full Time

MBDA Staff Salaries Allocation for Program Year Three		
MBDA Staff	MBDA Grant Fund	General Fund
Mayoral Aide III	\$ 0	\$ 30,526
Mayoral Aide V	0	40,522
Mayoral Aide V	43,746	21,546
Mayoral Aide VI	54,503	26,845
Mayoral Aide VIII	1,751	15,549
Salaries Total	\$ 100,000	\$ 134,988

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

1. AUTHORIZE the Mayor's Office to retroactively accept the 2013-14 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 the Third Program Year, commencing April 1, 2013 to March 31, 2014;
2. AUTHORIZE the Mayor's Office to accept all cash generated through client fees and contributions up to \$200,000 and appropriate to Account 46K205 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	46K146	Mayor Salaries
575	46K205	Program Income
575	46K213	Travel
575	46K304	Contractual
575	46K601	Supplies

- b. Establish a receivable for Program Year Three in the amount of \$100,000 in Fund 575/46;
- c. Increase appropriate in the amount of \$134,210 within Fund 575/46 for Program Year Three as follows:

FY	Account No.	Account Title	Amount
2014	46K146	Mayor -Salaries	\$ 100,000
2014	46K601	Supplies	2,000
2014	46K213	Travel	26,210
2014	46K304	Contractual	6,000
Total			\$ 134,210

- d. Reimburse the General Fund 100/46 for MBDA staff salaries on and as needed basis as follows:

FROM:

Fund/Dept	Account	Account Name	Amount
575/46	46K146	Mayor- Salaries	\$ 100,000
Total			\$ 100,000

TO:

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

e. Transfer uncommitted balances within Fund 575/46 as follows:

FY	From: Account No.	Account Title	To: Account No.	Account Title	Amount
2013	46J213	Travel	46K213	Travel	\$ 14,061.13
2013	46J601	Supplies	46K601	Supplies	1,228.04
2013	46J304	Contractual	46K304	Contractual	6,611.66
2013	46J205	Program Income	46K205	Prog Income	1,903.44
2010	46F205	Program Income	46K205	Prog Income	1,022.91
Total					\$ 24,827.18

4. Instruct the Controller to expend and receive funds upon proper demand by the Mayor's Office of Economic Development.
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 2013-14 MBDA Business Center Program Grant sub-allocation from USC-GCE. The Program Year Three total program cost is projected to be \$269,198. Of that amount, \$134,210 in salary costs and expenses will be reimbursed by the MBDA Grant, program income and contributions, with the balance of \$134,988 in salary costs funded by the Mayor's Office 2013-14 Adopted Budget.

	MBDA Grant	MBDA Program Income	General Fund	Total
Salaries	\$ 100,000		\$ 134,988	\$ 234,988
Expense Accounts				
Travel		\$ 26,210		26,210
Supplies		2,000		2,000
Contractual Services		6,000		6,000
Expenses Accounts Total		\$ 34,210		34,210
Budget Total	\$ 100,000	\$ 34,210	\$ 134,988	\$ 269,198

Sincerely,



ERIC GARCETTI
 Mayor

EG:ml

Attachment: Contractual Agreement with USC



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:

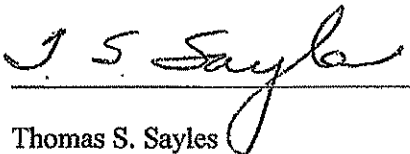
	LA City Goals			
Year One	\$29,744,186	x	.00081249%	\$24,167.
Year Two	\$38,871,099	x	.00081249%	\$31,582.
Year Three	\$47,109,558	x	.00081249%	\$38,276.
Year Four	\$47,109,558	x	.00081249%	\$38,276.
Year Five	\$47,109,558	x	.00081249%	\$38,276.

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



OFFICE OF THE MAYOR
ANTONIO R. VILLARAIGOSA

January 11, 2011

Linda Marie Marmolejo
Regional Director
San Francisco National Enterprise Center
U.S. Department of Commerce
Minority Business Development Agency
221 Main Street, Room 1280
San Francisco, CA 94105

Re: Application by the University of Southern California to Operate the MBDA Business Center in Los Angeles

Dear Ms. Marmolejo:

We are pleased to provide confirmation of The City of Los Angeles cost share commitment as part of our subcontract agreement and support for USC's application to operate the MBDA Business Center in Los Angeles.

We believe this partnership is uniquely qualified to fulfill the mission and objectives of the new program design. The Mayor's Office continues to be committed to the growth and inclusion of minority businesses. Both USC and the Mayor's Office have demonstrated performance, past successes and ongoing experience with the Minority Business Development Agency.

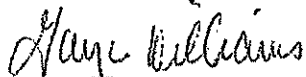
Minority business growth and development remains an essential part of the Mayor's agenda lead by this Office as demonstrated by the creation of a new Small Business Team. Our vision is simple yet powerful: to unleash the power of integration by our Office in partnership with USC, to promote the growth of minority business in the Los Angeles region.



We believe this partnership through our subcontract agreement with USC will have an unparalleled ability to convene public and private resources to accelerate the growth of minority business enterprises. Therefore, if USC's application to operate the MBDA Business Center in Los Angeles is approved, the City of Los Angeles is prepared to provide an \$182,665 match to the \$100,000 of federal funds as a subcontractor to USC in each of the 5 year funding periods. Furthermore, the City of Los Angeles expresses a commitment to generate Program Income for the 5 year funding period as follows:

Year 1	\$74,167	Year 2	\$81,582	Year 3	\$88,276	Year 4	\$88,276	Year 5	\$88,276
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Very truly yours,



Gaye Williams

Senior Managing Director

Office of Economic & Business Policy

cc: Alex Done, Associate Director, Office of Business Development

Research Subaward Agreement – Amendment

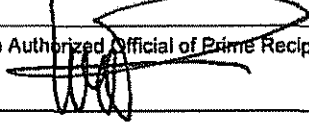
Prime Recipient		Subrecipient	
Institution/Organization ("Prime Recipient") Name: University of Southern California Address: Department of Contracts & Grants 837 West Downey Way Los Angeles, CA 90089-1147		Institution/Organization ("Subrecipient") Name: The City of Los Angeles, Mayor's Office of Economic 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: 3/31/2013		Amendment No.: 03	

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 \$300,000.
- 2) The period of performance has been extended through March 31, 2014.
- 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 Title
Date 6/26/13	Date