

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your **PERSONNEL AND ANIMAL WELFARE COMMITTEE**

reports as follows:

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to retroactive acceptance of the 2011 Minority Business Development Agency (MBDA) Business Center Program grant funds in the amount of \$200,000, and retroactive approval of the Contractual Agreement with the University of Southern California Government & Civic Engagement executed and submitted as part of the joint application process to the MBDA, effective April 1, 2011 through March 31, 2016.

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

1. AUTHORIZE retroactively the Mayor, or designee, to accept the 2011 MBDA Program Grant sub-recipient award from the University of Southern California Government and Civic Engagement (USC-GCE), in the amount up to \$500,000, or \$100,000 annually over a five-year period, effective from April 1, 2011 through March 31, 2016, subject to the review and approval of the City Attorney as to form and legality.
2. APPROVE retroactively approve the executed agreement with USC - GCE that outlines roles and responsibilities for the implementation of the MBDA MBC Program Grant and operation of the MBDA Minority Business Center Los Angeles (MBC-LA), effective April 1, 2011 through March 31, 2016; subject to the review and approval of the City Attorney as to form and legality.
3. AUTHORIZE the City of Los Angeles through the Mayor's Office to retroactively accept all cash generated from donations and contributions collected in Fiscal Year (FY) 2011-12 in the amount of \$95,197.95 and APPROPRIATE to Fund 575/46, Account 46J205 Program Income.
4. AUTHORIZE the Mayor's Office to accept all cash generated from donations and contributions collected in FY 2012-13 up to \$250,000 and APPROPRIATE to Fund 575/46, Account 46J205 Program Income.
5. AUTHORIZE the Controller to:
 - a. Rename Fund 575/46 MBDA Minority Business Center Los Angeles and establish new appropriation accounts within Fund 575/46 as follows:

<u>Account No.</u>	<u>Account Name</u>
46J046	Reimbursement- Prior Year Salary Expenditures
46J146	Salaries- Mayor's Office
46J203	Other- Outreach Events, Printing, Training
46J205	Program Income (Client Fees, Sponsorship)
46J213	Travel
46J304	Contractual Services
46J601	Supplies

46J299 Related Costs

- b. Establish a receivable and appropriate within Fund 575/46 for Program Year One (FY 2011-12) and Program Year Two (FY 2012-13) as follows:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
46J046	Reimburse- Prior Year Salary Expenditures	\$100,000
46J146	Salaries- Mayor's Office	100,000
	TOTAL	\$200,000

- c. Transfer cash on an as-needed basis and appropriate \$237,972 from Fund 575/46, Account 46J205 Program Income to the following accounts:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
46J046	Reimburse- Prior Year Salary Expenditures	\$114,819
46J1469	Salaries- Mayor's Office	61,349
46J299	Related Costs- Fringe Benefits	61,804
	TOTAL	\$237,972

- d. From Fund 575/46, Account 46J046 Reimbursement - Prior Year Salary Expenditures, reimburse \$214,819 as follows:

- i. \$80,875.62 to Fund 303/46 and \$96,164.16 to Fund 649/46 to repay the unfunded expenditure of EDA funds owed to the Mayor's Office for 2012 salary expenditures.
- ii. \$37,779 to Fund 100/46, Revenue Source Code 5331, Reimbursement of Related Costs - Prior Year for related cost expenditures.

- e. Upon receipt of MBDA Minority Business Center grant funds, transfer \$100,000 from Fund 575/46, Account 46J146 Salaries - Mayor's Office to Fund 100/46, Account 001020 Salaries Grant Reimbursed.

- f. From Fund 575/46, transfer \$123,153 for 2013 salary expenditures as follows:

FROM:

<u>Fund/Dept</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
575/46	46J146	Salaries- Mayor's Office	\$61,349
575/46	46J299	Related Costs- Fringe Benefits	61,804
		TOTAL	\$123,153

TO:

<u>Fund/Dept</u>	<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
100/46	001020	Salaries Grant Reimbursed	\$61,349
100/46	5346	Related Costs Reimbursed from Grants	61,804
		TOTAL	\$123,153

- g. Decrease uncommitted balances within Fund 575/46 for appropriation accounts from Budget FYs 1994 through 2009.

- h. Transfer uncommitted balances within Fund 575/46 for Budget Fiscal Years 1995 and 2010 as follows:

<u>FY</u>	<u>From Account No.</u>	<u>Account Title</u>	<u>To Account No.</u>	<u>Account Title</u>	<u>Amount</u>
2010	46F213	Travel	46J601	Supplies	\$7.74
2010	46F202	Supplies	46J601	Supplies	1,145.28
2010	46F203	Other	46J601	Supplies	75.02
2010	46F204	Contractual	46J304	Contractual	4,098.00
2010	46F205	Sponsorship	46J205	Program Income	6,620.44
1995	462130	Travel	46J213	Travel	18,171.57
1995	463040	Contractual	46J304	Contractual	7,666.10
TOTAL					\$37,784.05

6. REQUEST the Controller to expend and receive funds upon proper demand by the Mayor's Office.
7. AUTHORIZE by resolution the following position in the mayor's Office of Economic and Business Policy for the implementation of the MBC-LA, for the period July 1, 2012 through June 30, 2013, inadvertently left out of the Personnel Authority Resolution:

<u>No.</u>	<u>Class Code</u>	<u>Class Title</u>
1	0145	Mayoral Aide V

8. AUTHORIZE the Mayor's Office to prepare Controller's instructions for any necessary technical adjustments, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement the instructions.

Fiscal Impact Statement: The CAO reports that there is no additional impact to the General Fund. Acceptance of the 2011 Department of Commerce, MBDA, Minority Business Center (MBC) Grant would result in the receipt of up to \$500,000 over five years (April 1, 2011 through March 31, 2016) to support the Minority Business Center - Los Angeles program. The 2012 Program Year One total program cost is \$268,099. Of that amount, \$100,000 in direct salary and fringe benefits were paid by the MBC Grant, with the balance of \$168,099 in direct salary costs and expenses funded by program income and the Mayor's Office 2011-12 Adopted Budget. The 2013 Program Year Two total program cost is projected to be \$288,448. Of that amount, \$100,000 in direct salary costs will be paid by the MBC Grant, with the balance of \$188,448 in direct salary, fringe benefits and expenses funded by program income and the Mayor's Office 2012-13 Adopted Budget. Therefore no additional appropriation is necessary at this time. Retroactive acceptance of the grant and approval of the recommendations complies with the City's Financial Policies in that grant receipts, program income and 2011-12 and 2012-13 budgeted General Fund revenues are available to support the cost of this program.

Community Impact Statement: None submitted

(The Jobs and Business Development Committee waived consideration of this matter).

Summary:

On June 4, 2013, you Committee considered a February 28, 2013 communication from the Mayor and a May 31, 2013 CAO report relative to retroactive acceptance of the 2011 MBDA Business Center Program grant funds in the amount of \$200,000, and retroactive approval of the Contractual Agreement with the University of Southern California Government and Civic Engagement executed and submitted as part of the joint application process to the MBDA, effective April 1, 2011 through March 31, 2016. According to the CAO, in November 2010, the Mayor's Office of Housing and Economic Development and USC-GCE submitted a joint application for the 2011 MBC Program Grant to the US 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 is requesting retroactive approval of the 2011 MBC Program sub-recipient award, acceptance of grant funds in the amount of \$200,000 for the first and second years (April 1, 2011- March 31, 2012 and April 1, 2012- March 31, 2013), and approval of the contractual agreement with USC-GCE. Additionally, the Mayor is requesting authority on related actions to facilitate the implementation of the MBDA Minority Business Center - Los Angeles (MBC-LA).

Since 1994, the MBC-LA (formerly known as LA MBOC) has performed a key role in promoting the growth and global competitiveness of the minority business enterprise (MBE) 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. Over the past two years, the City has created 470 jobs and secured over \$160 million in contract awards and financial transactions that matched up minority businesses to contracting and, financial opportunities. Subsequently, in 2011 the MBC Program was restructured, resulting in changes to the number of funded centers nationwide as well as adjustments to performance measures, goals and objectives. Additionally, recipients were requested to meet the non-federal cost sharing requirement through cash, in-kind contributions or the generation of program income through membership and client fees. In order to reduce the impact on the General Fund and incorporate these program changes, the City elected to partner with USC-GCE to operate MBC-LA and also established a fee-based services structure to off-set the costs of running the program.

This sub-recipient award in a cumulative total amount of \$500,000 will be distributed over a five year period with \$100,000 provided for the 2012 Program Year One (April 1, 2011 to March 31, 2012) and \$100,000 for the 2013 Program Year Two (April 1, 2012 to March 31, 2013). USC-GCE will serve as the project lead and provide administrative oversight, coordination and delivery of all program services. The City will serve as a sub-recipient and consultant, providing technical assistance services and procurement of clients in the government and private sector.

Historically, staffing for the MBC-LA Program is comprised of four to six positions. In 2011-12 the Mayor's Office was authorized for five resolution authority positions. Staffing turnover in early 2012 resulted in the inadvertent deletion of one position in the 2012-13 Personnel Authority Resolution (PAR). The MBC-LA Program is currently staffed by 4.5 Full-Time Equivalent (FTE) positions: one Mayoral Aide II (Part-Time), one Mayoral Aide V (FTE), one Mayoral Aide VI (FTE), one Mayoral Aide VII (FTE) and one Mayoral Aide VIII (FTE). The Mayoral Aide VIII serves as the director of the

program and provides overall management; the Mayoral Aides VI and VII provide project implementation and the Mayoral Aides V and II provide administrative support.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the CAO report, as amended, and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
ALARCÓN:	YES
ZINE:	YES

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- Not Official Until Council Acts -