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June 6, 2018

Honorable Members of the Ad Hoc on
Comprehensive Job Creation Plan Committee
c/o Holly L. Wolcott, City Clerk
200 N. Spring Street, Room 395
Los Angeles, CA 90012

Honorable Members:

BUREAU OF CONTRACT ADMINISTRATION – FY 16-17 LOCAL BUSINESS ENTERPRISE- LOCAL BUSINESS PREFERENCE PROGRAM (LBE-LBPP) CITYWIDE REPORT (CF 15-0850)

On April 17, 2018, the Chief Legislative Analyst provided their Citywide Comprehensive Job Creation Plan Status Report. Within that report, long-term objective one (1) of the Jobs Plan Strategy (Goal) 1E. *Enhance and improve the Local Business Preference Policy Program to increase local business participation on contracts with the City* called for the Bureau of Contract Administration (BCA) to, in part, work with City departments to compile FY 16-17 LBPP data and submit a report to Council for approval. Attached herein is that report.

Sincerely,

JOHN L. REAMER, JR., Director
Bureau of Contract Administration

JLR:HC:bes
20180606 LBE-LBPP Report Letter.doc

attachment

Citywide Contract Awards to Local Business Enterprises (LBEs) under the Local Business Preference Program (LBPP)

FY 13-14				
Jul 1, 2013 - Jun 30, 2014	***LBE***	***LBE awards due to the LBPP***	***Total Cost to the City to award to***	
895 Projects	***243 awards***	***28 awards***	***LBEs over non-LBEs***	***Total Award Amount, all Projects***
dollars ($)	$709,297,926.18	$152,018,959.50	$516,296.28	$1,973,271,362.94
percentage (%)	35.95%	7.70%	0.03%	
FY 14-15				
Jul 1, 2014 - Jun 30, 2015	***LBE***	***LBE awards due to the LBPP***	***Total Cost to the City to award to***	
917 Projects	***221 awards***	***41 awards***	***LBEs over non-LBEs***	***Total Award Amount, all Projects***
dollars ($)	$215,502,558.56	$24,230,696.88	$49,629.13	$1,944,961,314.86
percentage (%)	11.08%	1.25%	0.00%	
FY 15-16				
Jul 1, 2015 - Jun 30, 2016	***LBE***	***LBE awards due to the LBPP***	***Total Cost to the City to award to***	
2,933 Projects	***772 awards***	***8 awards***	***LBEs over non-LBEs***	***Total Award Amount, all Projects***
dollars ($)	$494,150,417.25	$41,414,069.20	$987,367.14	$3,194,033,344.05
percentage (%)	15.47%	1.30%	0.03%	
FY 16-17				
Jul 1, 2016 - Jun 30, 2017	***LBE***	***LBE awards due to the LBPP***	***Total Cost to the City to award to***	
3,355 Projects	***583 awards***	***29 awards***	***LBEs over non-LBEs***	***Total Award Amount, all Projects***
dollars ($)	$870,125,232.79	$196,488,088.57	$5,142,105.48	$5,842,286,075.39
percentage (%)	14.89%	3.36%	0.09%	

FY 16-17 *: Request for LBE- LBPP info sent to 39 City Depts. on 12/6/17 (deadline 1/4/18), reminder to all/ unresponsive Depts. at the Citywide DCC meetings held on 2/1/18 & 4/12/18. This Report is as per responses received by 6/1/18;* ***THIS*** *page summarizes data provided by Depts. who submitted a complete FY 16-17 report as of that date (* ***39 of the 39 Depts.*** *- 36 Depts. submitted complete FY 16-17 data, 3 Depts. (FPP; Housing Auth; LACERS) have previously stated that they are exempt from the LBPP and therefore did not provide any LBE- LBPP-specific data).*

FYs 11-15 *: An initial request for LBE- LBPP information was sent to all City Depts. on 2/13 & 4/16/15. Subsequently, per a request from the Office of the CLA, a request for updated LBE-LBPP information through to the end of FY 14-15 was sent to all City Depts. on 8/12/15. Lastly, per a request from the Budget & Finance Committee/ Economic Development Committee/ Ad Hoc on Comprehensive Job Creation Plan Committee, a request for LBE-LBPP information was sent to all unresponsive Depts. on 2/12/16. THIS spreadsheet tab summarizes the data provided by the 33 GREEN-tabbed Depts. The 3 RED-tabbed Depts., FPP, Housing Auth, & LACERS, stated that they are exempt from the LBPP and therefore did not provide any data. The sole (1) ORANGE-tabbed Dept., DWP, provided some data but stated that they could not provide complete data as-requested; therefore, their data is not counted in THIS tab.*

FY 15-16 *: Request for LBE- LBPP info sent on 12/1/16 (deadline 1/13/17), reminder on 2/28/17, reminder to unresponsive Depts. on 6/22 & 7/27/17 (deadline 8/4/17). 8/28/17: DRK BLUE-tabbed Depts. (30) submitted complete FY 15-16 data. LT BLUE-tabbed Depts. (3- Library; DNE; DOT) submitted FY 15-16 data that needed clarification but was not rec'd as of the date of this report. GREEN-tabbed Depts. (1- Econ & Workforce) submitted data for previous FYs but not for FY 15-16. RED-tabbed Depts. (3- FPP; Housing Auth; LACERS) stated previously that they are exempt from the LBPP and therefore did not provide any data. THIS spreadsheet tab summarizes the data provided by the DRK BLUE-tabbed Depts. who submitted complete FY 15-16 data. (old)*

Notes:

A firm is credited as a ***LBE*** *if certified by the City of LA, Bureau of Contract Administration on BAVN.*

For the purposes of this report, ***primes*** *receive full contract credit for themselves if they are a certified LBE. In other words, if a prime is a LBE, their entire contract amount is counted towards LBE participation. However, the dollar amounts of their LBE subcontractors/ subconsultants (if any) are not counted toward LBE participation (to avoid double counting). Depts. shall still track* ***all*** *firms' statuses as LBEs though, whether prime or subcontractor/ subconsultant.*

A firm furnishing materials and/ or supplies is credited at 60 percent of the firm's dollar amount unless the firm manufactures or substantially alters the materials/ supplies.

A firm acting as a broker (does not take possession of the materials/ supplies and/ or does not deliver them) is credited at the firm's commission rate/ fee.

"Total Cost to the City to award to LBEs over non-LBEs" example- If after applying the LBPP, a Dept. awards a contract to a LBE whose bid is $10,000 over a non-LBE whose bid is $9,500, the Total Cost to the City to award to LBEs over non-LBEs is ***$500*** *($10,000 - $9,500).*