

0150-10922-0000

TRANSMITTAL

TO
Deborah Flint, Chief Executive Officer
Department of Airports

DATE
MAY 01 2017

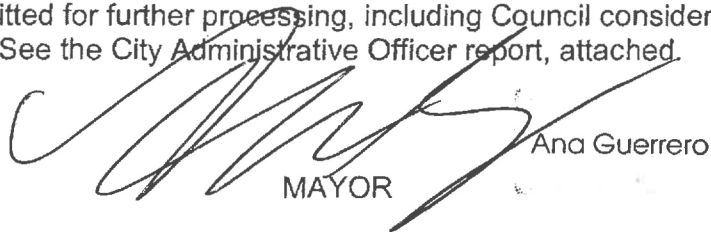
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
11

**Amend Los Angeles World Airports Local Business and
Local Small Business Enterprise Program Ordinance to Include
Local-State Disabled Veterans Business Enterprise Program**

Transmitted for further processing, including Council consideration.
See the City Administrative Officer report, attached.


Ana Guerrero
MAYOR

RHL:AVM:10170123t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 28, 2017

CAO File No. 0150-10922-0000

Council File No.

Council District: 11

To: The Mayor

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Communication from the Department of Airports dated March 30, 2017; referred by the Mayor for a report on March 30, 2017

Subject: **AMEND LOS ANGELES WORLD AIRPORTS LOCAL BUSINESS AND LOCAL SMALL BUSINESS ENTERPRISE PROGRAM ORDINANCE TO INCLUDE LOCAL-STATE DISABLED VETERANS BUSINESS ENTERPRISE PROGRAM**

RECOMMENDATIONS

That the Mayor:

1. Approve a proposed Ordinance to amend the Los Angeles World Airports Local Business and Local Small Business Enterprise Program Ordinance to include Local-State Disabled Veterans Business Enterprise Program, subject to the City Attorney approval as to form; and,
2. Transmit the request to the City Council for consideration and further processing.

SUMMARY

On September 28, 2016, the Los Angeles City Council approved Ordinance No. 184531 which established a Local and Local Small Business Enterprise Program Ordinance (Ordinance) for the Los Angeles World Airports (LAWA). The Ordinance pertains to the procurement of goods, equipment and services, including design and construction, for contracts over \$150,000. It added a new Article 23 to Division 10 of the Los Angeles Administrative Code (LAAC). Department of Airports (Department) staff reports the mandatory Ordinance "is intended to encourage businesses to compete for LAWA contracting opportunities, to locate operations and create jobs in the City and to encourage existing local business to refrain from relocating."

During the development of the Ordinance, the Department held many outreach events, forums and meetings with the business community and officials in City government to present information and gather feedback. Based upon comments received, an objective of the Ordinance was to expand Department inclusivity program and goals for its Landside Access Modernization Program (LAMP) billion dollar project. A focused goal was to improve opportunities for Local Business Enterprises (LBE) and Local Small Business Enterprises (LSBE) to secure a part of the larger

contracts, particularly for the LAMP undertaking. Guided by Charter Section 371(a) that authorizes bid preferences for State and County of Los Angeles based businesses as determined by ordinance, the Ordinance created a bid reference program for LBE and LSBE by requiring a business seeking a LAWA contract to meet minimum bid percentages for local businesses or local small businesses. A draft of the proposed Ordinance was approved on April 21, 2016, by the Board of Airport Commissioners (BOAC).

Continuing community conversation and feedback brought to the attention of Department staff another underserved business population – Disabled Veterans Business Enterprises (DVBE). To improve opportunities for such entities to compete for LAMP, and other, contracts (and to avoid delaying progress for a LBS and LSBE Ordinance), staff began work on another ordinance for DVBE. According to the Department, subsequent discussions led staff in the Office of the City Attorney to seek to amend the newly approved LBS and LSBE Ordinance rather than create a new ordinance.

Approval of the proposed amended Ordinance will revise the Los Angeles World Airports LBE and LSBE Program Ordinance to include a Local-State DVBE Program. It creates bid preferences (identical to those in the September 28, 2016 Ordinance) for qualified local disabled veterans' enterprises. The proposed amended Ordinance also is intended to: level the playing field among entities competing for LAWA contract; assure the greatest level of competition possible, decrease local unemployment; and, provide open access to all individuals and businesses for LAWA business opportunities.

The proposed amended Ordinance includes provisions which provide detail regarding:

- Qualified DVBEs are certified by specific United States Government agencies or by the State of California and verified by the City's Department of Public Works
- A new, Local-State category requires DVBE businesses to be located in California
- The Department's Procurement Services Division (Procurement) reviews all projects regardless of budget amount. Furthermore, for all projects greater than \$150,000, Procurement staff will establish a mandatory level of LBE, LSBE and/or DVBE participation based on subcontracting opportunities and subcontractor availability.
- Department staff will verify LBE, LSBE and DVBE regulation compliance, monitor and report on participation. If goals are not met, the prime is deemed non-responsive.

The BOAC approved the proposed amended Ordinance at its meeting on April 6, 2017. City Council adoption of the amended Ordinance will be in accordance to Charter Section 250.

FISCAL IMPACT STATEMENT

Approval of the amended Ordinance is an administrative action and has no fiscal impact.

RHL:AVM:10170123