



RESOLUTION NO. 25948

LAX

LA/Ontario

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

**Board of Airport
Commissioners**

Sean O. Burton
President

Valeria C. Velasco
Vice President

Jeffery J. Daar
Gabriel L. Eshaghian
Beatrice C. Hsu
Nolan V. Rollins
Dr. Cynthia A. Telles

Deborah Flint
Chief Executive Officer

BE IT RESOLVED that the Board of Airport Commissioners approve the Local Business Enterprise and Local Small Business Enterprise Program Rules and Regulations to become effective upon approval of Ordinance by City Council, as referenced in the Board-adopted staff report attached hereto and made part hereof; and

BE IT FURTHER RESOLVED that the Board of Airport Commissioners found that: (a) The proposed draft Mandatory Local Business Enterprise and Local Small Business Enterprise Program Ordinance attached hereto contains the requirements to comply with the City Charter Section 371; and

BE IT FURTHER RESOLVED that the Board of Airport Commissioners recommend that the draft Mandatory Local Business Enterprise and Local Small Business Enterprise Program Ordinance be transmitted to City Council for concurrence and approval; and

BE IT FURTHER RESOLVED that the adoption of ordinances that do not result in impacts on the physical environment are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II Section 2(m) of the Los Angeles City CEQA Guidelines; and

BE IT FURTHER RESOLVED that actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 250.

o0o

I hereby certify that this Resolution No. 25948 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, April 21, 2016.

Sandra J. Miller – Secretary
BOARD OF AIRPORT COMMISSIONERS



BOARD OF AIRPORT COMMISSIONERS

Erin Henning
 Approved by: Erin Henning, Director Procurement Services

Samson Mengistu
 Reviewed by: Samson Mengistu, Chief Operating Officer

J. Timothy J.
 City Attorney

Deborah Flint
 Deborah Flint - Chief Executive Officer

Meeting Date:
 4/21/2016

CAO Review:

Completed
 Pending
 N/A

Reviewed for	Date	Approval Status	BY
Capital Budget	4/8/2016	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	NE
Operating Budget	4/8/2016	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW
CEQA	4/11/2016	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	AE
Procurement	4/11/2016	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond	MT
Guest Experience	4/7/2016	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY

SUBJECT: Los Angeles World Airports Mandatory Local Business Enterprise and Local Small Business Enterprise Program Ordinance

Adopt Staff Report for the Los Angeles World Airports Mandatory Local Business Enterprise and Local Small Business Enterprise Program Ordinance and Recommend that the City Council concur that the draft ordinance be approved as set forth herein and approve Local Business Enterprise and Local Small Business Enterprise Program Rules and Regulations to become effective upon approval of Ordinance by City Council.

RECOMMENDATIONS:

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.m of the Los Angeles City CEQA Guidelines.
3. FIND that the proposed draft Mandatory Local Business Enterprise and Local Small Business Enterprise Program Ordinance attached hereto contains the requirements to comply with the City Charter Section 371

4. RECOMMEND that the draft Mandatory Local Business Enterprise and Local Small Business Enterprise Program Ordinance be transmitted to City Council for concurrence and approval.
5. APPROVE the Local Business Enterprise and Local Small Business Enterprise Program Rules and Regulations to become effective upon approval of Ordinance by City Council.

DISCUSSION:

1. Purpose

Staff recommends the Board of Airport Commissioners (Board) approve the proposed draft Mandatory Local Business Enterprise and Local Small Business Enterprise Program Ordinance and transmit it to City Council for concurrence and approval. The Ordinance is intended to level the playing field among those entities competing for Los Angeles World Airports (LAWA) contracts, to assure the greatest level of competition possible, to decrease local unemployment and to provide all individuals and businesses open access to LAWA's business opportunities.

2. Prior Related Actions

November 24, 2011 - Ordinance No. 18190

Los Angeles City Council approved the Local Business Preference Program for the procurement of goods, equipment and services, including construction, when a contract involves expenditures in excess of \$150,000. The Local Business Program is fashioned to encourage businesses to compete for City of Los Angeles (City) contracting opportunities, to locate operations within the City, and to encourage existing local businesses to refrain from relocating to different areas.

May 7, 2012 – Board Resolution No. 24781

The Board approved a Local Business Preference Pilot Program for LAWA's procurement of goods, equipment and non-professional services, including construction, through the Request for Bid procurement process when a contract involves expenditures in excess of \$150,000.

June 18, 2012 – Board Resolution No. 24820

The Board approved a Mandatory Small Business Enterprise Program for LAWA's procurement of goods, equipment and services, including construction, when a contract involves expenditures in excess of \$150,000

March 17, 2016 – Board Resolution No. 25919

The Board approved the modification of the Local Business Preference Program to include the procurement of services through the Request for Proposal procurement process.

3. Current Action

The establishment of a Mandatory Local Business Enterprise and Local Small Business Enterprise Program 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.

The elements of the proposed Ordinance and the Local Business Enterprise (LBE) and Local Small Business Enterprise (LSBE) Program Rules and Regulations include:

- Qualified LBE are the same as the current City requirements and certification is determined through an affidavit posted to the City's www.labavn.org website and approved by the Department of Public Works.
- A new, LSBE category requires businesses to be qualified as both LBE, as stated above, and as Small Business Enterprises (SBE) as defined by LAWA's mandatory SBE program.
- All projects greater than \$150,000 will be reviewed by Procurement Services who will establish a mandatory level of Enterprise and Local Small Business Enterprise for LBEs and LSBEs based on subcontracting opportunities and subcontractor availability.
- The prime will be deemed non-responsive if the Local Business Enterprise and Local Small Business Enterprise goals are not met
 - LAWA will verify compliance with the LBE and LSBE requirements
 - The LBE requirement can only be met through subcontracting
 - However if the prime contractor is a LSBE, the Enterprise and Local Small Business Enterprise will be identified as 100%
- LAWA will monitor and report on the LBE and LSBE participation.

Staff will continue its outreach efforts to identify all qualified businesses available to perform on LAWA contracts. Our monthly training program on how to do business with LAWA will add a new element by LBE and LSBE firms.

Action Requested

Staff recommends that the Board adopt this report to approve the draft Mandatory Local Business Enterprise and Local Small Business Enterprise Program Ordinance and transmit it to City Council for concurrence and approval and approve Local Business Enterprise and Local Small Business Enterprise Program Rules and Regulations to become effective upon approval of Ordinance by City Council.

Fiscal Impact

As an administrative action, this item will have no fiscal impact.

4. Alternatives Considered

• ***Take No Action***

No action would result in a status-quo for competition for LAWA contracts and business opportunities. Deferring this action may result in the issuance of Requests for Proposals without goals for Local and Local, Small Business Enterprises.

APPROPRIATIONS:

This is an administrative action; No appropriation of funds is required.

STANDARD PROVISIONS:

1. The adoption of ordinances that do not result in impacts on the physical environment are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.m of the Los Angeles City CEQA Guidelines.
2. This item is subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 250.
4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.
5. This action is not subject to the Small Business Enterprise Program.
6. This action is not subject to the provisions of the Affirmative Action Program.
7. This action does not require a Business Tax Registration Certificate number.
8. This action is not subject to the provisions of the Child Support Obligations Ordinance.
9. This action is not subject to the insurance requirements of the Los Angeles World Airports.
10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractor).
11. This action is not subject to the provisions of the Contractor Responsibility Program.
12. This action is not subject to the provisions of the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.