

AD HOC COMMITTEE ON COMPREHENSIVE JOB CREATION PLAN AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to updating the Citywide Bid Preference Programs and First Source Hiring Ordinance.

Recommendations for Council action:

1. ADOPT the following modifications to the Local Business Preference Program, Small Local Business Program, and Transitional Job Opportunities Program Ordinances:
 - a. Combine the Transitional Job Opportunities Program, Small Local Business Program, and Local Business Preference Program ordinances into a single program, to be named the Local Business Preference Program, to ensure a broader application of the Citywide bid preference.
 - b. Increase the Transitional Job Opportunities Program contract threshold from \$100,000 to \$150,000.
 - c. Allow local Small Business Enterprises, local Transitional Job Opportunities Program, and local subcontractors additional opportunities to qualify for the Local Business Preference Program, as follows:
 - i. In addition to the Local Business Enterprise eight percent preference, if the business submitting a proposal holds a Small Local Business Enterprise certification approved by the Designated Administrative Agency it will receive an additional two percent preference.
 - ii. If the business submitting a proposal holds a Transitional Job Opportunities Program certification approved by the Designated Administrative Agency, it will receive an additional two percent preference.
 - iii. If the business submitting the proposal is certified as a Small Local Business and the contract amount is valued at less than \$150,000, it will receive a ten percent preference. If the business submitting the proposal is not a local business, however, if it uses subcontractors who hold an Local Business Enterprise certification approved by the Designated Administrative Agency, a Small Local Business certification approved by the Designated Administrative Agency, and/or a Transitional Job Opportunities Program certification approved by the Designated Administrative Agency, it will earn a one percent preference for every ten percent of the cost of the proposed work to be performed by the certified subcontractor up to a maximum of a five percent preference.
 - iv. Awarding Authorities shall grant up to twelve percent Local Business Preference to Local Businesses.
2. REQUEST the City Attorney, with the assistance of the Bureau of Contract Administration (BCA) and the Chief Legislative Analyst (CLA), to prepare and present the necessary ordinance(s) to:

- a. Effectuate the proposed changes to: the Transitional Job Opportunities Program, including ensuring that Transitional Job Opportunities Programs are changed from being local to the state, to local to the County, to be consistent with all of the City's other local programs; the Local Business Preference Program; and Small Business Program.
 - b. Instruct the BCA and the Economic and Workforce Development Department (EWDD) to explore ways to automate the referral process.
 - c. Effectuate any other changes approved by Council.
3. INSTRUCT the BCA to:
- a. Implement the modifications to the Transitional Job Opportunities Program, Local Business Preference Program, and Small Local Business Program consistent with this action.
 - b. Revise certification criteria for the revised Local Business Preference Program which will be included in the rules and regulations that will accompany the implementing ordinance(s) and be promulgated by the BCA.
4. REQUEST the Board of Public Works and the BCA to conduct a marketing and educational campaign to the public on these revised programs.
5. INSTRUCT the BCA, with the assistance of the EWDD, to:
- a. Develop revised rules and regulations for the implementation of the First Source Hiring Ordinance.
 - b. Conduct training sessions for City employees on the implementation of the revised First Source Hiring Ordinance.
 - c. Report to Council in six months with a status report on the implementation of the revised Local Business Preference Program and First Source Hiring Ordinance, including but not limited to the following: successes, challenges, and additional staffing requirements.
 - d. Report to Council annually on program outcomes and ways to further enhance these programs, including but not limited to staffing and funding levels required for the new programs.

Fiscal Impact Statement: The CLA reports that this action may have a fiscal impact to the General Fund which cannot be estimated at this time. Increases in the number of businesses that qualify for a Citywide bid preference certification may result in increased expenditures during the contract award process.

Community Impact Statement: None submitted.

(Public Works and Gang Reduction Committee waived consideration of the above matter)

SUMMARY

In a report to Council dated October 18, 2019, the CLA proposes various updates to the Citywide Bid Preference Programs and First Source Hiring Ordinance. The CLA reports that the Transitional Job Opportunities Program, Local Business Preference Program, and Small Local Business Program are procurement programs administered by the BCA. These programs provide bid preferences to certified Local Business Enterprises located in Los Angeles County that bid on City contracts for goods, equipment, and supplies.

The CLA goes on to report that the First Source Hiring Ordinance is administered by the BCA and the EWDD. The First Source Hiring Ordinance differs from the Transitional Job Opportunities Program, Local Business Preference Program, and Small Local Business Program in that the First Source Hiring Ordinance does not offer a bid preference but is a requirement for all contractors who engage in business with the City. The First Source Hiring Ordinance requires a contractor to notify EWDD of a specific employment opportunity at least seven days before releasing the announcement to the public. The Transitional Job Opportunities Program and First Source Hiring Ordinance are intended to serve vulnerable populations, including homeless and formerly incarcerated individuals. BCA reports that these programs are underutilized or have not been used at all.

Inasmuch as increasing local business participation in City contracts and increasing employment opportunities for transitional workers are priorities for the Council, the CLA presents recommendations to restructure these programs to provide additional opportunities for businesses to qualify. The CLA report discusses these programs in greater detail as well as the benefit of the proposed changes.

At its special meeting held October 22, 2019, the Ad Hoc Committee on Comprehensive Job Creation Plan considered this matter, and recommended that Council approve the CLA's recommendations, as amended to modify Recommendation Nos. 1.c.i, 2a, and 2b, as reflected above.

On May 28, 2020, the Economic Development Committee concurred with the action taken by the Ad Hoc Committee on Comprehensive Job Creation Plan.

Respectfully Submitted,

AD HOC ON COMPREHENSIVE JOB CREATION PLAN COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES

BLUMENFIELD: YES
HARRIS-DAWSON: YES

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
BUSCAINO:	YES
RODRIGUEZ:	YES

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-