

MOTION

The City of Los Angeles has a wide array of vendors and contractors that provide services, equipment and supplies. City departments are encouraged to work with local vendors and/or Minority/Women-owned Business Enterprises (MWBE), and many contracted services in the City are provided by nonprofits. These vendors rely on timely payments to manage their own payroll and expenses, and delayed City payments have a disruptive and discouraging impact on them. Recently, the City has not been paying vendors in a timely manner, and the City must improve the speed of processing and paying invoices.

Registered vendors support many different efforts from portable restrooms at city events to important office functions like paying for email services to communicate with constituents. In practically every case, it takes the city many months to pay those who rendered their services and sometimes services are suspended due to lack of payment. For example, in August of 2022, the vendor submitted an invoice for portable restrooms at summer events at Warner Ranch Park. That bill was left unpaid and after almost six months, the vendor sent the City's bill to collections. This is unacceptable, especially for the second largest city in America.

City departments and City Council offices also engage in contracts with local non-profits. For example, the LA Conservation Corps has a Clean and Green team under Public Works Office Community Beautification which helps with clean up projects, bulky item pick up, and so many community improvement projects throughout the West Valley and citywide. Arts organizations contract with the Department of Cultural Affairs for festivals and programming. Homeless service non-profit organizations, such as About My Father's Business, support efforts including outreach and an innovative storage program to help unsheltered people get into housing. Small nonprofits especially struggle with delayed payments.

There are real consequences to this lag in payments. Because of this ongoing issue, many local and smaller companies refuse to do business with the City of Los Angeles as they can't wait half a year to get paid. While there are vendors who are willing to wait months for payment, this is a serious deterrent if LA wants to ensure that the best local companies, owned and operated by Angelenos, and/or MWBE, have an opportunity to work with their city.

Whether more funding is needed for department staff or software upgrades, or whatever it may be, the City owes it to constituents and the incredible businesses and nonprofits that are the backbone of LA, to figure out how to pay its bills in a timely manner.

I THEREFORE MOVE that the City Controller and City Clerk, in consultation with the City Administrative Officer and Office of Finance, be instructed to report within 90 days on the current process of paying city vendors, best practices of the County of LA and other municipal governments and advise what must happen to expedite this process and ensure that invoices are paid within 30-90 days maximum.

PRESENTED BY:

Bob Blumenfeld
BOB BLUMENFELD
Councilmember, 3rd District

SECONDED BY:

Diana Beebe

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