

## TRANSMITTAL

To: **THE COUNCIL**

Date: **03/18/24**

From: **THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**

A handwritten signature in black ink, appearing to read "Carolyn Webb de Macias". The signature is fluid and cursive, with a large loop at the end.

(Carolyn Webb de Macias for)

**KAREN BASS**

**Mayor**

# City of Los Angeles

CALIFORNIA

CAROLYN HULL  
GENERAL MANAGER



KAREN BASS  
MAYOR

**ECONOMIC AND  
WORKFORCE  
DEVELOPMENT  
DEPARTMENT**

444 S. FLOWER ST.  
LOS ANGELES, CA 90071

March 6, 2024

Council File: 22-0313 & 22-1150  
Council District: All  
Contact Person & Phone Number:  
Daysi Hernandez, (213) 744-9340  
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The Honorable Karen Bass  
Mayor, City of Los Angeles  
Room 303, City Hall

Attention: Heleen Ramirez, Legislative Coordinator

## **COUNCIL TRANSMITTAL: REQUEST TO APPROVE THE RESULTS OF THE LA OPTIMIZED 2.0 PROGRAM REQUEST FOR PROPOSALS (RFP) AND ENTER INTO A CONTRACT WITH RECOMMENDED OPERATORS**

### **SUMMARY**

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, EWDD seeks approval and requests authority to award and execute contracts with California State Los Angeles University Auxiliary Services, Inc. and Sherpa Marketing Solutions for a contract term of April 1, 2024 – June 30, 2025, with an option to renew for up to two (2) twelve-month terms, depending on the availability of funds.

Pursuant to Council File number 22-0313, EWDD issued a Request for Proposals (RFP) on July 15, 2022 to solicit qualified proposers to provide services. One application was received and an operator was selected to provide services. After careful review of the program, EWDD determined that there was a need to restructure the program to better deliver services to small businesses. To achieve this restructuring, EWDD issued the LA OPTIMIZED 2.0 RFP on October 16, 2023. Given the results of the RFP review, EWDD

recommends that a contract be awarded to the two highest scored proposers, California State Los Angeles University Auxiliary Services, Inc., Inc. and Sherpa Marketing Solutions to provide an array of technology and creative digital services to small businesses in the City under two service categories: Service Category 1: Website Optimization and Service Category 2: E-Marketing/Social Media Optimization which includes, but is not limited to website creation, e-commerce support, brand identity audit, and content creation for social media accounts. The selection of two operators seeks to improve service delivery through integration of like services and leveraging of operator expertise and experience.

Approval of the following recommendations will enable EWDD to continue supporting the small businesses in the City of Los Angeles as they continue to emerge and transcend the obstacles in a post pandemic economy.

## RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD), or designee, respectfully requests that the City Council, subject to the approval of the Mayor as required:

1. APPROVE the list of recommended operators selected through the LA OPTIMIZED 2.0 RFP process as indicated in TABLE 1;

AUTHORIZE the EWDD General Manager, or designee, to negotiate and execute contracts with the third-party service providers selected through LA Optimized 2.0 RFP, for an amount up to Two Million Dollars (\$2,000,000) for a term ending June 30, 2025, with an option to renew for up to two (2) twelve-month terms, subject to the approval of the City Attorney as to form;

2. AUTHORIZE the EWDD General Manager, or designee, to establish an LA OPTIMIZED 2.0 Replacement Operator List to be in effect commencing April 1, 2024 to June 30, 2027, to include any proposers receiving a score of 75 points or greater (see Table 3) and authorize EWDD General Manager to negotiate and execute contracts with replacement operators, as needed
3. AUTHORIZE the EWDD General Manager, or designee, to prepare and procure any subsequent RFPs necessary to provide technical and creative digital services to small businesses in the City of LA.
4. AUTHORIZE the use of the \$1.5 million of US Small Business Administration (SBA) Congressional Community Projects funds, for the LA Optimized Program (C.F. 22-1150) as follows:

Administrative and Program Costs	\$ 91,998
Contractual Services	1,350,000
Fringe: Related Costs	33,456
Other Indirect: Related Costs	24,546
Total:	<u>\$1,500,000</u>

## 5. AUTHORIZE the Controller to:

- a. Transfer and appropriate \$1,500,000 from the LA Optimized Small Business Assistance Fund 67D, Dept. 22, Cash Balance 1010, as follows.

<b>Account Title</b>		<b>Amount</b>
22Y112	City Attorney	\$ 942
22Y122	Economic and Workforce Development	91,056
22Y299	Reimbursement of General Fund Costs	58,002
22Y5AC	LA Optimized Program SBA	1,350,000
		Total: \$ 1,500,000

- b. Increase appropriations within Fund No. 100/22 as follows:

<b>Account Title</b>		<b>Amount</b>
001010	Salaries General	\$ 72,896
002120	Printing and Binding	1,000
002130	Travel	275
006010	Office and Administrative	3,000
006020	Operating Supplies	1,580
006030	Leasing	\$ 12,305
		Total: \$ 91,056

- c. Increase appropriations within Fund No. 100/12 as follows:

<b>Account Title</b>		<b>Amount</b>
001010	Salaries General	\$ 942

6. AUTHORIZE the General Manager of EWDD, or designee, to prepare Controller Instructions and/or make technical corrections to transactions included in this report, subject to the approval of the CAO, to carry out Mayor and City Council intentions, as necessary, and authorize the Controller to implement those instructions.

## FISCAL IMPACT STATEMENT

Recommendations in this report will not have a negative impact on the City General Fund, as the LA Optimized Program will be funded with American Rescue Plan Act (ARPA) backed funds included in the City's 2021-22 approved budget and the recently awarded US Small Business Administration (SBA) Congressional community Projects grant.

## BACKGROUND

EWDD issued a Request for Proposals (RFP) on July 15, 2022 (CF 22-0313), to solicit qualified proposers to provide services. An operator was selected to provide services. After assessment of the program, EWDD deemed it appropriate and necessary to restructure the program for better delivery of services. To achieve this restructuring, EWDD issued the LA OPTIMIZED 2.0 RFP on October 16, 2023. The RFP included two main service categories of work and gave the City the option to select up to two operators to deliver services. There are two main service categories of work in which all deliverables can be categorized. Service Category 1: Website Optimization and Service Category 2: E-Marketing/Social Media Optimization.

Businesses continue to face a challenging economic environment post COVID-19. The technology services provided under the LA OPTIMIZED 2.0 program will allow them to leverage more resources to stay afloat and run their businesses successfully in an ever-changing economic landscape.

## REQUEST FOR PROPOSAL (RFP) PROCESS

EWDD released the LA OPTIMIZED 2.0 RFP on October 16, 2023 with a due date of November 8, 2023. The RFP sought to identify an operator or two operators to provide an array of technology and creative digital services to small businesses.

The LA OPTIMIZED 2.0 program RFP defined participant types, program activities, technical specifications of services and expected outcomes per service category. There are two main service categories of work in which all deliverables can be categorized. Service Category 1: Website Optimization and Service Category 2: E-Marketing/Social Media Optimization outlined in the RFP Scope of Work (Attachment A).

### ***Funding Level***

The budget to carry out the initial contract term for the LA Optimized 2.0 program is up to Two Million (\$2,000,000). Through this procurement, EWDD seeks approval and requests authority to award and execute contracts with the two contractors listed in Table 1; for the contract term ending June 30, 2025, with an option to renew for up to two (2) twelve-month terms, depending on the availability of funds.

**TABLE 1: Recommended Operators**

Contractor Name	Council Districts	Funding	April 2024 – June 2025	July 2025 – June 2026 (Tentative)
Cal State LA - University Auxiliary Services, Inc.	Citywide	ARPA/SBA	\$1,000,000	
Sherpa Marketing Solutions			\$1,000,000	

***Evaluation Process and Criteria***

Ten (10) proposals were received in response to the RFP. Eligible proposals were reviewed and rated by a panel of reviewers. Prior to rating proposals, reviewers participated in a reviewer training during which they were presented with an overview of the RFP, trained on the use of the RFP scoring tool, and reviewed and signed the Conflict of Interest/Non-Disclosure Statement.

After reviewers performed their individual proposal reviews, meetings were held to reach consensus on the final scores assigned to each proposal. A maximum of 100 points could be awarded based on the review of proposals, as outlined on Table 2. A minimum score of 75 was required to be considered for funding. See (Attachment B) for a list of all proposers and corresponding scores.

**TABLE 2: Evaluation Criteria**

<b>Description</b>	<b>Points</b>
Demonstrated Ability	30
Program Design and Framework	45
Cost Reasonableness and Financial Viability	10
Portfolio	15
<b>Total Points</b>	<b>100</b>

Proposers were notified of review results by email on December 19, 2023. EWDD exercised the appeals due diligence process; however, there were no written appeals received.

***Replacement Operators***

For continuity of services, EWDD is recommending to establish a list of Replacement Operators to be able to promptly negotiate and execute a contract with a new operator, if the need to replace an existing operator arises. This will help avoid protracted periods of program interruption. To be placed on the list, Proposers had to score at least 75 points. Please see Table 3 for the Replacement Operator List.

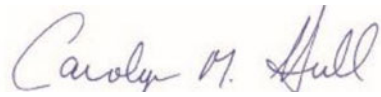
**TABLE 3: Replacement Operator List**

STUDIO CITY PXL
ARROYOWEST, LLC

**CONCLUSION**

EWDD is requesting authorization to contract with Cal State LA- University Auxiliary Services, Inc. and Sherpa Marketing Solutions to implement the LA Optimized 2.0 program to provide small businesses owners with the resources needed to stabilize, optimize, and grow their businesses.

Sincerely,

A handwritten signature in blue ink that reads "Carolyn M. Hull". The signature is written in a cursive style with a large initial 'C'.

Carolyn Hull  
General Manager

Attachment A: RFP Scope of Work  
Attachment B: Review Results with Scores

## 2. SCOPE OF WORK

### 2.1 Description of Services to Be Provided

LA OPTIMIZED provides free, direct services to small businesses in the City of Los Angeles impacted by the COVID-19 pandemic with the goal of increasing revenues and growth through the optimization of customer-facing, web-based business media. The program focuses on providing services to vulnerable small businesses in underserved areas of the City of Los Angeles. There are *two main service categories* of work in the LA OPTIMIZED in which all deliverables can be categorized:

**TABLE 2.1.A: Service Categories**

<b>Service Category 1: WEBSITE OPTIMIZATION</b>	<b>Service Category 2: E-MARKETING/SOCIAL MEDIA OPTIMIZATION</b>
<p><i>Example of services to be delivered by the OPERATOR to include, but is not limited to:</i></p> <p>Web presence/website performance audit Website update/optimization E-Commerce support Website creation</p>	<p><i>Example of services to be delivered by the OPERATOR to include, but is not limited to:</i></p> <p>Brand identity audit + optimization Earned media presence audit + optimization Owned media audit Social media account creating/improvement Content creation + strategy development</p>
<p><i>Other activities required of all OPERATORS include, but not limited to:</i></p> <p>1:1 Coaching/Training Topical Educational Workshops Metrics tracking/reporting</p>	

For the purposes of defining participant types in the LA OPTIMIZED Program, please refer to the following table:

**TABLE 2.1.B: Participant Types**

<b>CONTACT →</b>	<b>PROSPECT →</b>	<b>CLIENT</b>
<p>A small business is qualified as a CONTACT by confirming their interest in learning more about the LA OPTIMIZED PROGRAM and submits information necessary for a PROVIDER to connect with them.</p> <p>An INTEREST FORM must be completed by the CONTACT to</p>	<p>A CONTACT is elevated to a qualified PROSPECT once the OPERATOR connects with them to conduct a NEEDS ASSESSMENT to determine what services can be offered to support positive outcomes for the business.</p> <p>A formal NEEDS ASSESSMENT</p>	<p>A PROSPECT is elevated to a qualified enrolled CLIENT once all requisite paperwork is collected and agreements are signed that formally initiates the CLIENT-OPERATOR partnership.</p> <p>All CLIENTS should be provided service(s) as defined in the LA</p>



determine the eligibility of the BUSINESS to participate in the LA OPTIMIZED program.	must be administered to the PROSPECT.	OPTIMIZED Contract.  All outcomes resulting from the CLIENT-OPERATOR partnership must be tracked and documented.
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The following table depicts the deliverables and outcomes if two operators are selected. Each Operator selected will be responsible for the delivery of the program-related activities and outcomes stipulated on the table. If the City opts to select a single operator for the program, then the operator will be responsible for the deliverables and outcomes for both service categories combined, which will add up to double the numeric outcomes indicated below represented as *TOTAL PROGRAM REACH in 6 MONTH CONTRACT PERIOD* in Table 2.2.A in Section 2.2.

TABLE 2.1.C: Program Activities &amp; Expected Outcomes

ACTION	ACTIVITIES	OUTCOME PER SERVICE CATEGORY
<b>TIER 1:</b>  <b>LOW-MODERATE TOUCH INTERACTIONS</b>  <b>Outreach to at least 250 businesses(CONTACTS)</b>	<p>In partnership with BusinessSource Centers (BSC) and the Jobs Economic Development Incentives (JEDI) Zones program teams and through independent outreach, reach 250 CONTACTS in the City of Los Angeles through any combination of the following outreach activities:</p> <ol style="list-style-type: none"> <li>1. A minimum of (2) workshops/seminars (virtual or in-person) that result in the identification of prospective clients.</li> <li>2. Education campaigns published on platforms with the capacity to track unique visitors through geotagging that can confirm visitor locales.</li> <li>3. Email marketing and/or interest forms that collect data about the location of potential clients</li> <li>4. Collection of the LA OPTIMIZED Initial Intake Form and client demographics</li> <li>5. Possible deployment of additional surveys and forms to support program outcomes.</li> </ol>	<p>250 CONTACTS to produce a PROSPECT list of at least 100 businesses that can be assessed for their potential to become CLIENTS</p> <p>Outreach activities should result in CONTACTS becoming aware of the services available through the LA OPTIMIZED program.</p>
<b>TIER 2:</b>  <b>MODERATE TOUCH INTERACTIONS</b>  <b>Assessments and Service Plan Recommendations for</b>	<ol style="list-style-type: none"> <li>1. Conduct needs assessments of 100 small business PROSPECTS to determine their level &amp; types of need &amp; the potential services that can be offered to them.</li> <li>2. Collection of the LA OPTIMIZED NEEDS ASSESSMENT for each PROSPECT</li> <li>3. Completion of the SERVICE PLAN RECOMMENDATION document for each</li> </ol>	<p>100 PROSPECTS receive a needs assessment with a set of recommended actions.</p>

<b>100 businesses (PROSPECTS)</b>	PROSPECT.	
<b>TIER 3:</b>  <b>HIGH TOUCH INTERACTIONS</b>  <b>Sustained, direct Services to 50 enrolled program participants (CLIENTS)</b>	<ol style="list-style-type: none"> <li>1. Provide approximately \$5,000 worth of services as determined by client need to a minimum of 50 small business clients as a part of the LA OPTIMIZED Program.</li> <li>2. Track their progress for the duration of their time up until contract end date.</li> <li>3. Conduct regular check-ins with clients.</li> <li>4. Collect data pre/post information of services rendered.</li> <li>5. When appropriate, Contractor and all subcontractors, if applicable, must be able to perform effective on-site visits to CLIENTS.</li> </ol>	<p>50 CLIENTS served with high touch services outlined in Table 2.1.D providing ongoing support throughout the duration of their participation in the program.</p> <p>Each OPERATOR must define a system of record as well as submit data to EWDD + demonstrate the capacity to furnish program data to EDD along with specific data points.</p>

The following table defines the expectations for the level of service to be provided to each of the tiers indicated above:

**TABLE 2.1.D: Service Tiers**

SERVICE TIER	LEVEL OF SUPPORT	PARTICIPANT TYPE	DESCRIPTION
Tier 1	Low	CONTACT	Low-touch; contact information exchanged, but no on-going or sustained support/interaction. EXAMPLE: Individual attends a workshop led by OPERATOR, contact information is collected. Follow-up is conducted, but the CONTACT does not respond or indicates that they do not require further support.
Tier 2	Moderate	PROSPECT	Moderate-touch; best for "Self-Serve" individuals who are somewhat adept with technology, but may seek advice on how to improve/optimize their media. PROSPECT communicated back and forth via electronic communication and/or an initial consultation and assessment; PROSPECT is able to receive coaching, instruction, & deliverables primarily through email or other electronic interaction. Light coaching may occur via email, video call, or phone call. EXAMPLE: A PROSPECT requests recommendations on what kinds of content they could develop/post to improve their social media engagement and upon receiving recommendations, they are able to "run with it".

Tier 3	High	CLIENT	High support needs CLIENTS require sustained, ongoing support/engagement by the OPERATOR because they either are new to the concept of incorporating media into their business or their project requires a higher level of sustained engagement for delivery. EXAMPLE: A CLIENT who owns a mom & pop shop has no website, but has an unclaimed Yelp review page. The CLIENT will likely need a website set up for them with the minimum information required to help improve their Yelp + Google presence/listing. This project may require multiple meetings with the CLIENT.
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## 2.2 Target Program Outcomes

The following are the expected outcomes to be achieved by each LA OPTIMIZED Operator per service category. The table depicts totals based on two operators. If the City opts to select a single operator for the program, the single operator will be required to meet the total program reach.

**The following table depicts the deliverables and outcomes if two operators are selected. Each Operator** selected will be responsible for the delivery of the program-related activities and outcomes stipulated on the table. If the City opts to select a single operator for the program, then the operator will be responsible for the deliverables and outcomes for both service categories combined, which will add up to double the numeric outcomes indicated below represented as *TOTAL PROGRAM REACH in 6 MONTH CONTRACT PERIOD* in Table 2.2.A below.

TABLE 2.2.A: Expected Outcomes

SERVICE TIER	LEVEL OF SUPPORT	CUSTOMER JOURNEY PHASE	REQUIRED REACHES PER SERVICE CATEGORY in 6 MONTH CONTRACT PERIOD	TOTAL PROGRAM REACH in 6 MONTH CONTRACT PERIOD.
Tier 1	Low	CONTACT	250	500
Tier 2	Moderate	PROSPECT	100	200
Tier 3	High	CLIENT	50	100
<i>50% of program participants should be identified as eligible businesses located in areas designated as Jobs and Economic Development Incentives (JEDI) Zones. See section 2.5 Target Clients</i>				

TABLE 2.2.B: Definitions of Expected Outcomes

*50% of program participants should be identified as eligible businesses located in areas designated as JEDI Zones. See section 2.5 Target Clients*

EXPECTED OUTCOME	MINIMUM NO. SERVED PER	TOTAL SERVED BY PROGRAM
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	SERVICE CATEGORY	
<b>Total # of Businesses Receiving Outreach</b>	250	500
<i>“Businesses Receiving Outreach” is defined as small businesses in the City of Los Angeles that complete the Initial Intake Form.</i>		
<b>Total # of Businesses Receiving a Needs Assessment &amp; Formal Service Plan Recommendations</b>	100	200
<i>“Businesses Receiving a Needs Assessment &amp; Formal Service Plan Recommendations” is defined as small businesses in the City of Los Angeles for which a Needs Assessment &amp; Formal Service Plan Recommendation have been completed by the Operator.</i>		
<b>Total # of Businesses Receiving Direct Services</b>	50	100
<i>“Businesses Receiving Direct Services” is defined as small businesses in the City of Los Angeles formally participating in the LA OPTIMIZED Program that will receive ongoing services and be tracked throughout their life cycle as program participants through the end of the contract period.</i>		

## 2.3 Technical Specifications

The table below indicates the types of service components that are to be offered to clients by operators in both service categories as well as the associated desired deliverables. Operators may choose to offer other related services as determined by client needs. The services provided to reach desired deliverables can include, but are not limited to the following:

**TABLE 2.3.A: Technical Specifications of Services: Category 1**

Service Category 1: WEBSITE OPTIMIZATION			
AREA	WORK AREA	EXAMPLE COMPONENTS	DESIRED DELIVERABLES
I	<b>Owned + paid media audit + strategy development</b>	Google My Business, Yelp listing review; Google analytics; website performance analysis	Website SEO review Website recommendations Online marketing content Review Recommendations for improving online listings
II	<b>Website + presence optimization or update</b>	Simple website build or update of an existing website; support/advisement to activate and/or improve e-commerce activities	Development of an improved website Increased capacity to generate revenue through company website

<b>III</b>	<b>Website creation</b>	Website, Social media content + presence	Development of a new website
<b>IV</b>	<b>Coaching/Training</b>	Demos; ongoing check-ins; workshops	Coaching/trainings

**TABLE 2.3.B: Technical Specifications of Services: Category 2**

<b>Service Category 2: E-MARKETING/SOCIAL MEDIA OPTIMIZATION</b>			
<b>AREA</b>	<b>WORK AREA</b>	<b>EXAMPLE COMPONENTS</b>	<b>DESIRED DELIVERABLES</b>
<b>I</b>	<b>Brand identity audit + optimization</b>	Company logos, marketing aesthetic; brand narrative	Graphic identity review Brand messaging Rebranding
<b>II</b>	<b>Earned media presence audit + optimization</b>	Optimization of Google My Business, Yelp, Social Media, and other online presence; monitoring of online presence.	Earned media review Earned media update Social media account analysis
<b>III</b>	<b>Content creation + paid media strategy development</b>	Build an inventory of photos; graphics; content to be used for online and social media marketing purposes; development of an online ad/promotional strategy	Brand Kit Brand refresh E-marketing strategy Brand strategy Communications strategy
<b>IV</b>	<b>Coaching/Training</b>	Demos; ongoing check-ins; workshops	Coaching/trainings

**LA OPTIMIZED 2.0 Request for Proposal (RFP)**  
**REVIEW RESULTS WITH SCORES**

PROPOSER NAME	SCORE
Cal State LA- University Auxiliary Services, Inc.	85
Sherpa Marketing	77
ArroyoWest LLC	76
STUDIO CITY PXL	75
Modern Times Inc	73
Community Economic Development Corp	70
Everly Agency, LLC	69
Pickytarian Inc	57
El Proyecto Del Barrio	55
We Us Them Inc	55