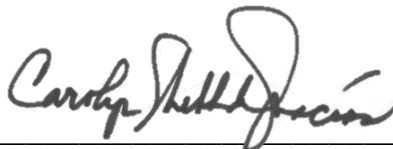


TRANSMITTAL

TO Economic and Workforce Development Department	DATE 06/11/2025	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

REQUEST FOR AUTHORIZATION TO EXTEND THE LOS ANGELES BUSINESSSOURCE CENTERS (LABSC) CONTRACTS FOR ONE (1) YEAR AND RELEASE A REQUEST FOR PROPOSAL (RFP) TO PROCURE THE LABSC FOR FOUR (4) ONE-YEAR PERIODS

Approved, ED3 Waived, and Transmitted for further processing.



MAYOR
(Carolyn Webb de Macias for)

CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL
GENERAL MANAGER

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT



KAREN BASS
MAYOR

444 S. FLOWER ST. 14TH FLOOR
LOS ANGELES, CA 90071

June 12, 2025

Council File: 21-0270
Council District: All
Contact Persons:
Daysi Hernandez, (213) 718-0136
Rosa Penaloza, (213) 238-0495

The Honorable Karen Bass
Mayor, City of Los Angeles
Room 303, City Hall

City Council
c/o City Clerk
Room 395, City Hall

Attention: Legislative Coordinator

TRANSMITTAL: AUTHORIZATION TO EXTEND THE LOS ANGELES BUSINESSSOURCE CENTERS (LABSC) CONTRACTS FOR ONE (1) YEAR AND RELEASE A REQUEST FOR PROPOSAL (RFP) TO PROCURE THE LABSC FOR FOUR (4) ONE-YEAR PERIODS.

SUMMARY

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that the Mayor and the City Council approve a one year extension to the contracts of the existing ten (10) BusinessSource Centers selected under the results of the 2021 and 2022 LABSC Request for Proposals (Council Files 21-0270 & 21-0270-S1) and the contracts for two (2) LABSC Centralized Services providers. Refer to Exhibit A for a list of existing LABSC operators, centralized services, and locations.

This year marks the three (3) year term awarded from procurement results in 2021 and 2022. Due to unforeseen natural wildfire disasters, staff could not release a new RFP before the end of the term. One (1) year contract extensions will allow the time needed to complete a new procurement of LABSC operators without interruption of these much needed services. Furthermore, in line with Mayor Bass' Executive Directive 4, extending the contracts will allow EWDD to carefully analyze existing program processes and outcomes to make any necessary adjustments for the future system design. A main component of the review is to examine the program's outputs to align with current needs, leading to a more impactful program in the long

term.

If approved, EWDD expects to issue the RFP in Winter 2025 and would return to City Council in Spring 2026 with an update on the scoring and ranking of proposers and a request for authorization to approve and execute contracts.

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. APPROVE one-year contract extensions for the current ten (10) LABSC operators and the two (2) LABSC centralized service providers for the period starting July 1, 2025 to June 30, 2026 for an amount not to exceed \$800K per contract with a cumulative amount not to exceed \$7,211,250.
2. AUTHORIZE the General Manager of EWDD, or designee, to negotiate, prepare and execute contract extensions and other related documents, to effectuate Recommendation 1, subject to City Attorney review as to form.
3. AUTHORIZE the General Manager of EWDD, or designee, to prepare and release a Request for Proposals (RFP) for the LABSC Operators, subject to City Attorney review as to form; and submit recommendations to the City Council and Mayor for LABSC operator selection and contract authority for the contract term of July 1, 2026 to June 30, 2027, with the option to renew for up to three (3) additional, one (1) year terms.
4. AUTHORIZE the General Manager, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with the Mayor and City Council action, subject to approval of the City Administrative Officer (CAO), and authorize the Controller to implement the instructions.

FISCAL IMPACT STATEMENT

There is no impact on the General Fund as the LABSC contract extensions are expected to be fully funded by the U.S. Department of Housing and Urban Development (HUD), Community Development Grant Funds (CDBG). Funds are requested annually through the Consolidated Plan process with the Community Investment for Families Department (CIFD), with final approval issued by the Mayor and City Council.

BACKGROUND

The LABSC system is strategically located throughout low-income communities across the City and serves as one of the primary mechanisms for delivering services to the small business community. It is comprised of ten centers managed by qualified operators, who provide

business services targeting the needs of eligible City-based businesses. Furthermore, LABSC centralized services providers, are recognized experts in their respective fields, that offer financial and legal services to LABSC clients.

The centralized financial and legal services component of the system plays a critical role in ensuring the program is strong, adaptable, and resilient in the face of evolving business needs and economic uncertainties. As a part of these services, a financial consultant builds the capacity of designated LABSC staff through training and one-on-one coaching to prepare and package loan applications for clients.

LABSCs also refer clients to the legal services operator for support with legal matters. These services include reviewing commercial contracts, negotiating with landlords, addressing employee safety, wages, paid leave, and benefits, handling intellectual property issues, establishing business structures, and resolving other legal concerns. The BSC Program has been a critical resource for business owners. The following are select accomplishments from July 1, 2022, the start of the reprocured system, through December 31, 2024. The data measures the substantial impact that BSCs have on the business community:

- \$55 Million in Access to Capital
- 778 Businesses Launched
- 1,900 Created or Retained Jobs
- 1,652 Trainings & events with over 27,000 attendees

The LABSC functions as an outcome-driven system with two primary measures of success: job creation and retention, and increased access to capital for businesses. EWDD plans to evaluate the LABSC to better align to the changing needs of the City.

RFP DESIGN & TIMELINE

A one-year extension of the current BSC contractors will allow EWDD to conduct a comprehensive evaluation of the program without disrupting ongoing service delivery. The additional time will result in a thorough assessment of the program's design.

In preparation for the BSC procurement, and to evaluate the efficiency of service delivery, EWDD has deployed two surveys; one to LABSC clients and another to partners. Survey responses are under review. Findings from data collected will inform updates to LABSC program design.

If approved, EWDD expects to issue the RFP in Winter 2025 and would return to City Council in Spring 2026 with an update on the scoring and ranking of proposers and a request for authorization to approve and execute contracts.

BUSINESSSOURCE CENTER RFP TERMS

Contract Term

Successful proposers will be funded for an initial 12-month period starting July 1, 2026 to June 30, 2027, with the option to renew for three (3) additional one-year periods not to exceed a total of four (4) years. The purpose of the proposed four-year option is to allow for continuity of services under the program. However, prior to renewal, EWDD will conduct an assessment to evaluate performance, compliance, changes in business and program needs, and other emergent issues and economic factors.

Renewal or extension of the contract term will be contingent upon the availability of funds, evaluation of the contractor's performance, and the contractor's continuing compliance with applicable federal, state, and local government laws and regulations.

Eligible Proposers

Community-based organizations, nonprofit organizations, Community Development Financial Institutions (CDFI), Small Business Development Centers (SBDC) institutions of higher education, government agencies, private for-profit organizations, chambers of commerce, or other business and labor organizations, with a minimum of three years (within the last five years) of experience in providing comparable services, will be eligible to apply. Eligibility criteria will be further defined in the RFP document.

Funding Level

EWDD conducted a cost-benefit analysis to assess the cost of the BSC Program. Funding is recommended based on solicited services in the amount of \$7,500,000 annually for ten (10) BSCs. Funds are contingent upon approval of the Community Development Grant Funds allocation for the LABSC. At this time, a funding request of \$7,500,000 is planned for the Program Year (PY) 51 Consolidated Plan.

Number of BSC Locations

The number of BSCs to be funded is contingent upon the amount of CDBG funds available for a given period. Maintaining the existing ten (10) centers is the most effective way to ensure comprehensive citywide coverage. Priority will be given to BSCs in the service areas identified as having the greatest need, as determined by the services area assessment and evaluation data. In the event that funding is not available, there will be a reduction in the number of centers. Please refer to Exhibit A for a list of BSC operators and locations.

Proposed Service Areas

EWDD will conduct a service area assessment to redefine LABSC target service areas. Data will account for poverty rates, existing small businesses, persons in low- and moderate-income households, Opportunity Zones, Promise Zones, and the target areas addressed in the Citywide Economic Development Strategy (CEDS).

Accountability for Performance Outcomes

The LABSC will continue focusing on accountability and transparency with ongoing reporting, monitoring visits, and annual performance evaluations, based on the measures and outcomes. All program activities from client registration through client exit will be electronically recorded in an automated database prescribed by the City. Timely and accurate reporting of all activities will be a priority. The City requires all LABSC operators to use the Salesforce system to track all activities and program deliverables.

RFP Evaluation Criteria

EWDD will select a team of proposal raters to review and score complete proposals received by the RFP submission deadline. Proposals will be determined eligible for review and scoring based on response content, demonstrated capacity, and verifiable authenticity of proposal documentation and information. A minimum score of 75 is required to be considered for funding.

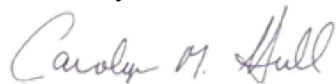
Charter Section 1022

As required for the City's RFP process, on December 16, 2024, EWDD requested a determination from the Personnel Department, based on the provisions of Charter Section 1022, that the City does not have sufficient staff to perform the required services sought under this RFP; the determination from the Personnel Department was confirmed on January 15, 2025.

CONCLUSION

The LABSC system is a critical resource for small businesses citywide, and services are highly needed to support sustainability, growth, and expansion. EWDD is seeking authority to extend the current LABSC and centralized service providers contracts to avoid service disruption to small businesses in the City of Los Angeles. In order to continue to support small business citywide the department seeks the authority to issue the LABSC RFP in 2025 with a thorough evaluation process to be conducted with the depth and rigor necessary to support informed decision-making in the LABSC program design.

Sincerely,



CAROLYN M. HULL

General Manager

CMH:FJ:DH:RP:FC

EXHIBIT A

Los Angeles BusinessSource Center System		
Contractor	Council District	Region
New Economics for Women (NEW) 1730 East 1st Street, Los Angeles 90033	14	East LA
Initiating Change In Our Neighborhoods CDC (ICON) 14553 Delano Street # 212, Van Nuys 91411	6	South Valley
Initiating Change In Our Neighborhoods CDC (ICON) 13269 Van Nuys Blvd, Pacoima 91331	7	North Valley
Pacific Asian Consortium in Employment (PACE) 1370 North St. Andrews Pl. #215, Los Angeles 90028	13	Hollywood
Managed Career Solutions (MCS) 390 W 7th Street, San Pedro 90731	15	Harbor
Pacific Asian Consortium in Employment (PACE) 1055 Wilshire Blvd, Suite 900 B, Los Angeles 90017	1	Pico-Union/Westlake
Coalition for Responsible Community Development (CRCDD) 2415 South Central Avenue, Los Angeles 90011	9	Southeast LA
Vermont Slauson Local Development Corporation (VSLDC) 1513 East 103rd Street, Los Angeles 90002	15	Watts
Managed Career Solutions (MCS) 18645 Sherman Way, Suite 114 Reseda 91335	3, 12	West Valley
Vermont Slauson Local Development Corporation (VSLDC) 1130 W. Slauson Avenue, Los Angeles 90044	8, 9	South LA
FAJ Consulting Inc. 5006 Redwillow Lane, La Canada Flintridge 91011	All (centralized service)	Citywide
Bet Tzedek Inc. 3250 Wilshire Blvd. #1300, Los Angeles 90010	All (centralized service)	Citywide