

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT relative to amending the Local Business Preference Program to provide an additional bid preference to businesses located in the City of Los Angeles.

Recommendation for Council action, pursuant to Motion (Koretz – Blumenfield – Harris-Dawson – Price):

INSTRUCT the Bureau of Contract Administration, with the assistance of the Chief Legislative Analyst (CLA), City Attorney and Chief Procurement Officer, to report with recommendations for amending the Local Business Preference Program to provide an additional bid preference to businesses located in the City of Los Angeles.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: Yes

For:  
Westside Neighborhood Council

Summary:

On August 23, 2022, your Committee considered a Motion (Koretz – Blumenfield) relative to amending the Local Business Preference Program to provide an additional bid preference to businesses located in the City of Los Angeles. According to the Motion, the City has long sought to facilitate economic growth by supporting local businesses, expanding and retaining local jobs, and reducing unemployment. The City's Local Business Preference Program provides a preference to local firms by awarding additional points during the City's contract award process. The program is intended to encourage local businesses to bid on City contracting opportunities, maintain local operations, and discourage businesses from relocating to other regions. Businesses in Los Angeles have received significant benefits from the program, such as increased consumer spending and job retention.

However, businesses located in the City continue to receive the same point preference when bidding on contracts as those located elsewhere in the County of Los Angeles. This has created a significant competitive disadvantage for City businesses due to higher labor and business costs. The City is one of the ten most expensive places to do business in the U.S. and, as a result, local businesses must compete against firms from neighboring cities and states with lower costs. To address these inequities and to further support local businesses, on November 28, 2021, the Council approved Motion (Koretz -Blumenfield - Harris-Dawson – De Leon, et al.) that requested the City Attorney to prepare and present the necessary documents to place a measure on the June 7, 2022 ballot to add "City of Los Angeles" to the definition of "local" in Section 371(a) of the City Charter (Council File

No. 21-0760). The ballot measure sought to permit the City to provide an additional bid preference for businesses located in the City of Los Angeles. On June 7, 2022 Los Angeles residents voted overwhelmingly to approve the action, known as Ballot Measure BB, and the Measure was subsequently certified by the County of Los Angeles. To ensure that local businesses are able to benefit from the passage of Measure BB as soon as possible, the Council should instruct department staff to report on the next steps required to amend the Local Business Preference Program to allow an additional bid preference for firms located in the City. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion, as detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic Development and Jobs Committee

<b>COUNCILMEMBER</b>	<b>VOTE</b>
PRICE:	YES
KREKORIAN:	YES
BLUMENFIELD:	YES
RAMAN:	YES
HARRIS-DAWSON:	YES

ARL

8/23/22

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**