

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

Recommendations for Council action:

1. AMEND the LBPP bid preference on contracts in excess of \$150,000 as follows:
 - a. Grant qualified City of Los Angeles located Local Business Enterprises (LBE) a ten percent bid preference and an additional two percent bid preference for also being a qualified Local Small Business (LSB) or Local Transitional Employer (LTE), up to a maximum of 12 percent and a total bid preference of no greater than \$1,000,000.
 - b. Grant qualified LBE's located within the County, but outside the City, a six percent bid preference and an additional two percent bid preference per certification for also being a qualified LSB and/or LTE, up to a maximum of ten percent and a total bid preference of no greater than \$1 ,000,000.
2. DIRECT the Bureau of Contract Administration (BCA) to:
 - a. Continue submitting an annual report on the results of the LBPP
 - b. Perform a review of the effectiveness of the LBPP in meeting the intent of Measure BB every three years, or as needed, and submit recommendations for potential adjustments to the LBPP percentages to meet the intent of Measure BB.
3. REQUEST the City Attorney to prepare and present an Ordinance amending Article 4, Division 10 of the Los Angeles Administrative Code, Local Business Preference Program, consistent with the recommendations outlined in the November 9, 2022 BCA report, attached to the Council File.
4. DIRECT the BCA and Office of Procurement (OOP) to provide extensive outreach and education to city staff and the public once the changes go into effect.

Fiscal Impact Statement: None submitted by the BCA. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes

For:
Westside Neighborhood Council

Summary:

On November 22, 2022, your Committee considered a November 9, 2022 BCA report 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 BCA, in October 2011, as authorized by City Charter, Sec. 371, Council adopted an Ordinance implementing the LBPP which went into effect November 28, 2011 (Ordinance No. 181910). The LBPP was designed to level the playing field for local businesses by encouraging those located in Los Angeles County (County) to compete for City contracting opportunities, establish and maintain operations within the City, and encourage established local businesses from relocating to localities with lower business costs.

Under this Ordinance, an awarding authority letting contracts in excess of \$150,000 may grant qualified LBE's an eight percent (8%) bid preference, and grant contractors who do not qualify as a LBE, a one percent bid preference, up to a maximum of five percent, for every ten percent (10%) of their bid that is to be performed by a qualified LBE subcontractor, not to exceed one million dollars.

In June 2021, to further the City's mission of boosting local business participation in City contracting and increase employment opportunities for transitional workers, Council adopted an Ordinance amending and consolidating the existing LBPP with the Small Local Business and Transitional Job Opportunity programs, which went into effect August 7, 2021 (Ordinance No. 187121).

Under the new ordinance, an awarding authority letting contracts up to \$150,000, may grant qualified LSB's and/or LTE's a ten percent bid preference, and may grant contractors who do not qualify as a LSB or LTE, a one percent bid preference, up to a maximum of five percent, for every ten percent of their bid that is to be performed by a qualified LSB, and/or LTE subcontractor. Also, an awarding authority letting contracts in excess of \$150,000, may grant qualified LBE's an eight percent bid preference, and, if the LBE is also a qualified LSB and/or LTE, they may be granted an additional two percent for each of the certifications, up to a maximum of 12 percent and a total bid preference of no greater than one million dollars.

Contractors who qualify as a LBE, but not as a LSB nor a LTE, may be granted an additional one percent preference, up to a maximum of two percent, for every ten percent of their bid that is to be performed by a qualified LSB and/or LTE subcontractor. Also, contractors who do not qualify as a LBE, may be granted a one percent bid preference, up to a maximum of five percent, for every ten percent of their bid that is to be performed by a qualified LBE, LSB, and/or LTE subcontractor. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the BCA report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic Development and Jobs Committee

A handwritten signature in black ink, appearing to be 'A. Raman', is written over the table header.

COUNCILMEMBER	VOTE
PRICE:	YES
KREKORIAN:	ABSENT
BLUMENFIELD:	YES
RAMAN:	ABSENT
HARRIS-DAWSON:	YES

ARL

11/22/22

-NOT OFFICIAL UNTIL COUNCIL ACTS-