

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT relative to conducting a Citywide "Disparity Study" on a determined regular schedule for the City of Los Angeles' contracting, procurement, and pre-qualification practices.

Recommendation for Council action, pursuant to Motion (Bonin – Raman – Rodriguez – Harris-Dawson – Price):

DIRECT the Office of Procurement, in coordination with the Civil and Human Rights and Equity Department, the Bureau of Contract Administration and any other relevant Departments, to report within 60 days with the funding, staffing, and resources required to conduct a Citywide "Disparity Study" on a determined regular schedule for the City of Los Angeles' contracting, procurement, and pre-qualification practices in order to assess and offer recommendations to encourage the participation of businesses including, but not limited to: Minority Owned Business Enterprises, Women's Business Enterprises, Veteran Owned Businesses, and Other Business Enterprises.

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

Community Impact Statement: None submitted.

Summary:

On November 22, 2022, your Committee considered a Motion (Bonin – Raman – Rodriguez – Harris-Dawson – Price) relative to conducting a Citywide "Disparity Study" on a determined regular schedule for the City of Los Angeles' contracting, procurement, and pre-qualification practices. According to the Motion, in November 1996, California voters approved Proposition 209 which amended the California Constitution to generally prohibit discrimination or preferential treatment on the basis of race, sex, color, ethnicity, or national origin in public contracting. Proposition 209 resulted in the elimination of preferential and affirmative action programs voluntarily adopted by public agencies and educational institutions.

A 2016 study "The Impact of Proposition 209 on California's Minority and Women Business Enterprises" found that the implementation of Proposition 209 has cost women and persons of color over one billion dollars annually in lost government contracts. In 2020, California Proposition 16 was placed on the ballot and would have repealed Proposition 209, allowing California jurisdictions, including the City to create narrowly tailored race and gender conscious programs, in cases where a "compelling interest" for such programs could be established. Despite earning support from the City of Los Angeles (Council File No. 20-0002-S127), the voters ultimately did not pass the proposition. Notwithstanding, the City has implemented policies that encourage equitable participation and inclusion while adhering to the local, state, and federal law. For example, the City's Business Inclusion Program (BIP) requires prime contractors to conduct

outreach to minority-owned and women-owned businesses, small and emerging business enterprises, disabled veterans, and other business enterprises for subcontracting opportunities on advertised contracting opportunities. The City has also established the Office of Procurement and Civil and Human Rights and Equity Department to address discrimination in private employment, commerce, and education and has taken steps to establish an Office of Racial Equity. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion. 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:	ABSENT
BLUMENFIELD:	YES
RAMAN:	ABSENT
HARRIS-DAWSON:	YES

ARL

11/22/22

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**