

MOTION BY SUPERVISOR DON KNABE

July 12, 2016

Over the past few years, the County of Los Angeles has periodically examined the effectiveness of its LSBE and DVBE preference programs. The Internal Services Department, Chief Executive Office, and now the Department of Consumer and Business Affairs have all submitted reports to the Board with recommendations to improve these programs and increase the amount of business that the County awards LSBEs and DVBEs. Invariably, these reports come to the same conclusion: the County must increase the number of LSBEs and DVBEs in order to increase the utilization of these programs.

In April 2014, the Internal Services Department reported to the Board the results of a study done by California State University, Los Angeles, College of Business and Economics. The study estimated that in order for the County to get to 10% utilization, it would need 4,167 registered LSBEs. This would be a substantial increase from the approximately 1,300 that we have now.

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The CEO came to the same conclusion in a report to the Board from August 2015. CEO stated that for the County to increase its utilization of LSBEs and DVBEs, “the underlying goal should be to increase the population of participants.” In other words, to get more certified LSBEs and DVBEs in the County system.

The Utilization Plan before the Board today is no different. Indeed, it notes that in order to reach the ambitious 25/3 goal, the County needs to increase the number of LSBEs and DVBEs five to ten fold in the next three years. And while the Utilization Plan contains strategies to bump the numbers up – renewed marketing and outreach efforts to businesses, acceptance of other jurisdictions’ certifications for small businesses – it does not estimate how much these efforts will increase the number of LSBEs and DVBEs, nor does it contain a timeline with estimated benchmarks to achieve for the County to get to the 25/3 goal. Given the centrality of this issue to the overall success of the Utilization Plan, it is imperative that it is appropriately addressed.

I, Therefore, Move, that the Board of Supervisors instruct the Director of DCBA to include in his quarterly reports a section dedicated to the size of the vendor pool, including:

1. Current number of LSBEs and DVBEs;
2. A timeline with the estimated vendor pool size for LSBEs and DVBEs in order for the County to reach the 25/3 utilization goal by 2020;
3. The results of the strategies outlined in the Utilization Plan.

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