MOTION BY SUPERVISOR MARK RIDLEY-THOMAS   **OCTOBER 17, 2017**

Expanding Economic Opportunities for Local Small Businesses, Disabled Veteran Businesses, and Social Enterprises in County Concession Contracts

On March 28, 2017, the Los Angeles County (County) Board of Supervisors (Board) directed the Chief Executive Officer (CEO), in consultation with the Economic Development Policy Committee, the Director of the Department of Consumer and Business Affairs (DCBA), the Director of the Internal Services Department (ISD), and County Counsel, to report back in writing in 90 days with an inventory of the County's concession contracts. In addition, the motion called for an assessment as to whether there are opportunities to encourage local small business enterprise (LSBE), disabled veteran business enterprise (DVBE) and social enterprise (SE) participation on concession contracts and requested an assessment of procurement process changes that would encourage the participation of these types of businesses.

The policy objective outlined in the motion is consistent with the Los Angeles County Code Section 2.204.010, which specifies that the County shall aid and assist, to the maximum extent possible, the interests of local small business concerns to ensure that a fair proportion of the total purchases and contracts or subcontracts for the purchase of goods and services for the County are awarded to such enterprises.

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MOTION

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After a comprehensive evaluation of current contracts and procedures, the CEO recommended that the Board consider updating the procurement and contract language for concession contracts to reflect the Board's priority of extending economic opportunities to LSBEs, DVBEs, and SEs. Specifically, the report identified the following options for consideration:

1) The creation of bid point preferences to LSBEs, DVBEs, and SEs on concession contracts — The report suggested that since revenue-generating contracts are not typically awarded to the lowest bidder, a point system would be the appropriate means to further incentivize the utilization of LSBEs, DVBEs, and SEs, and would make these businesses more competitive in the procurement process.

2) Encouraging subcontracting to LSBEs, DVBEs, and SEs — The report suggested that standard contracting terms could be included on concession contracts to encourage concessionaires to subcontract with LSBEs, DVBEs, and SEs. A best-efforts standard could be utilized, with monitoring provided by DCBA.

3) Unbundling of Contracts — Concession contracts are currently performed by one vendor, but involve multiple activities that could potentially be performed by small and local businesses. The report suggests that additional review and analysis of this option is merited.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Instruct the Director of the Department of Consumer and Business Affairs, in coordination with County Counsel, the Chief Executive Officer (CEO), and the Directors of Parks and Recreation, Beaches and Harbors and the Internal Services Department, to report back to the Board of Supervisors within 90 days with a proposed bid point preference program and draft contract language that can be applied to the solicitation process for future concession contract procurement efforts, as well as any

corresponding ordinance amendments, if necessary, to encourage contracting and subcontracting to local small business enterprises (LSBE), disabled veteran business enterprises (DVBE) and social enterprises (SE) as described in the CEO's June 30, 2017 report entitled "Assessing the Viability of Expanding Economic Opportunities for Local Small Businesses, Disabled Veteran Businesses, and Social Enterprises in County Concession Contracts (Item No. 9, Agenda of March 28, 2017).

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(LJ/KK)