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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

September 18, 2018

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

11 September 18, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF REVISED BOARD POLICY NUMBER 3.035
SMALL BUSINESS PAYMENT LIAISON AND PROMPT PAYMENT PROGRAM
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

Recommendation to approve the revised Board of Supervisors Policy Number 3.035, Small Business Payment Liaison and Prompt Payment Program (Policy) that establishes a Countywide Small Business Payment Liaison (Liaison) within the Department of Auditor-Controller that will provide a single point of contact for County certified Local Small Business Enterprises (SBE) to address payment delays or issues; and to institute a Prompt Payment Program that affirms the County's intent to pay certified Local SBEs for goods and services within 15 calendar days of receipt of an undisputed and approved invoice.

IT IS RECOMMENDED THAT THE BOARD:

Approve the attached Policy Number 3.035, Small Business Payment Liaison and Prompt Payment Program, which was revised for clarity purposes for reporting and to identify the Department of Consumer and Business Affairs as the lead responsible department.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The revised policy was approved as amended by your Audit Committee on August 15, 2018, and modified to accomplish the following:

- Provide clarifications to policy and include the sharing of prompt progress reports from the Countywide Small Business Payment Liaison with the lead department in order to identify common issues.
- Identify Department of Consumer and Business Affairs as the lead department.

Implementation of Strategic Plan Goals

The County Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of processes, structure, and operation to support timely delivery of customer-oriented and efficient public services. The Board's adoption of the revised Policy is consistent with this goal.

FISCAL IMPACT/FINANCING

No fiscal impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The policy revisions are a result of an assignment received from your Executive Office, to review the County's Small Business Payment Liaison and Prompt Payment Program Policy and report back with recommendations or revisions to the policy.

The policy was revised by the Internal Services Department (ISD) in conjunction with the Auditor-Controller, Department of Consumer and Business Affairs and County Counsel. The changes will be effective upon your Board's approval.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the revised policy will establish Department of Consumer Affairs as the lead department, as the policy provides assistance to County certified Local Small Business Enterprises.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return two stamped copies of the approved Board letter to the Director, ISD.

Respectfully submitted,

A handwritten signature in blue ink that reads "Scott Minnix". The signature is written in a cursive, flowing style.

SCOTT MINNIX

Director

SM:SH:JS:CC:ym

Enclosures

c: Department of Consumer and Business Affairs
Auditor-Controller
Executive Office, Board of Supervisors



Los Angeles County BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
3.035	Small Business Payment Liaison and Prompt Payment Program	10/17/06

PURPOSE

To establish a Countywide Small Business Payment Liaison within the Department of Auditor-Controller that will provide a single point of contact for County certified Local Small Business Enterprises (SBE) to address payment delays or issues; and to institute a Prompt Payment Program that affirms the County's intent to pay certified Local SBEs for goods and services within 15 calendar days of receipt of an undisputed and approved invoice.

With up to 40 separate County departments to deal with, many Small Businesses experience invoice and payment related issues and delays by having to navigate through varying processes used by the individual departments, and in many cases, by not knowing or communicating with the appropriate department contact(s).

By providing a single point of contact in the Department of Auditor-Controller, certified Local SBEs will be afforded the opportunity to address payment issues at a central location within the County. The Small Business Payment Liaison will be responsible for coordinating actions and/or resolution with the appropriate County department(s).

Additionally, timely payments are a key to attracting small businesses to do business with the County because of cash flow requirements. The Prompt Payment Program is designed to attract and encourage more small businesses to participate in the Local Small Business Enterprise Preference Program.

REFERENCE

Los Angeles County Code [Chapter 2.204](#)

1997 Bold Steps Forward Report

October 17, 2006 [Board Order No. 26](#)

POLICY

It is the policy of the Board of Supervisors that the County will maintain a single point of contact for invoice, payment or other issues as it relates to County certified Local Small

Business Enterprises (SBE), and that it be the intent of County departments to promptly pay certified Local SBEs for goods or services received within 15 calendar days after a vendor invoice(s) have been properly matched against a receiving report or shipping document.

Definition

A certified, Local SBE is defined as those small businesses enrolled and approved to participate in the Local SBE Preference Program pursuant to Los Angeles County Code, Chapter 2.204, adopted by the Board on July 23, 2002 and as amended on July 15, 2016. This program is modeled on the State of California's small business preference program and utilizes the State's certification of small business status as a requirement for the County's certification of Local SBE status. In addition to State certification, the County's Local SBE Program requires a small business to have its principal place of business currently located within the County for at least one (1) year. Alternatively, in federally funded County solicitations subject to the Federal restriction on geographical preferences, instead of State certification and a principal office located in Los Angeles County, a business must be certified as small by the SBA (Small Business Administration) and be registered as small business on the federal System for Award Management (SAM) data base.

Countywide Small Business Payment Liaison

The County's Small Business Payment Liaison position and duties will be assigned to the Department of Auditor-Controller. The duties and responsibilities of the position will be to assist Local certified SBEs with resolving issues related to payment delays on invoices submitted to any County department for payment. The Liaison will be the County's central point of contact for certified Local SBEs and will be responsible for tracking and coordinating the actions required to resolve issues with the respective County departments. On a quarterly basis, the Liaison will share Prompt Payment Program Progress Reports including responses from departments with the Department of Consumer and Business Affairs/Office of Small Business for the purpose of identifying systematic and common issues.

Prompt Payment Program

It is the intent of the County that Certified Local SBEs will receive prompt payment for goods and/or services they provide to County departments. Prompt payment is defined as 15 calendar days after receipt of an undisputed invoice that has been properly matched against a receiving or shipping document, service deliverable or payment schedule, or any other validation of receipt document.

The Department of Consumer and Business Affairs/Office of Small Business will be responsible to establish Countywide procedural mechanism to identify Local SBE invoices, and inform vendors of the program through electronic means as well as through existing, and ongoing vendor training programs and workshops.

Exceptions

The Prompt Payment program shall apply to, and include all Purchase Orders and Contracts between the County and a Local SBE, except where State or Federal law has preempted the regulation of those Purchase Orders and Contracts. In such cases, the State or Federal mandates shall take precedence.

RESPONSIBLE DEPARTMENT

Department of Consumer and Business Affairs

Internal Services Department

Auditor-Controller

County Counsel

DATE ISSUED/SUNSET DATE

Issue Date: October 17, 2006

Review Date: October 21, 2010

Review Date: August 20, 2014

Review Date: July 17, 2018

Sunset Date: October 17, 2010

Sunset Date: October 17, 2014

Sunset Date: October 17, 2018

Sunset Date: October 17, 2022