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May 4, 2021

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

Dear Supervisors:

**APPROVAL TO ADD FUNDING AND EXTEND THE EXISTING
 BUSINESS TECHNICAL ASSISTANCE SUBAWARDS WITH LOS
 ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION**

(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

County of Los Angeles (County) Workforce Development, Aging and Community Services (WDACS) contracts with the Los Angeles County Economic Development Corporation (LAEDC) to provide Business Technical Assistance (BTA) services throughout the County. The BTA program delivers immediate and long-term technical assistance to distressed businesses that may be in a state of financial, managerial, locational, and/or operational stress which could result in layoffs. WDACS seeks Board approval to add additional funding to the four (4) Fiscal Year (FY) 20-21 BTA subawards with LAEDC and extend these subawards through FY 21-22.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Acting Director of WDACS, or designee, to retroactively add \$225,000 to the four (4) FY 19-20 subawards with LAEDC, in the amount of \$56,250 each for (1) Antelope Valley, (2) West San Gabriel Valley, (3) East San Gabriel Valley/Southeast Los Angeles and (4) South Los Angeles/West Los Angeles area subawards.
2. Delegate authority to the Acting Director of WDACS, or designee, to add \$280,000 to the four (4) current FY 20-21 subawards with LAEDC, in the amount of \$77,500 each for (1)

ADOPTED

BOARD OF SUPERVISORS
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CELIA ZAVALA
EXECUTIVE OFFICER

Antelope Valley, (2) West San Gabriel Valley and (3) East San Gabriel Valley/Southeast Los Angeles area subawards; and \$47,500 for the (4) South Los Angeles/West Los Angeles area subaward.

3. Delegate authority to the Acting Director of WDACS, or designee, to extend the term and provisions of the current four (4) subawards with LAEDC, in the amount of \$87,500 per subaward, for the provision of BTA services to distressed businesses within Los Angeles County (County), for a period of twelve (12) months effective July 1, 2021 through June 30, 2022.
4. Authorize the WDACS Acting Director, or designee, to execute amendments with LAEDC as follows: 1) add new, relevant, or updated federal, state and/or county subaward terms; and 2) increase the Maximum Contract Sum that may exceed 10% based on the availability of funding, and/or based on subrecipient's performance provided that: (a) the total allocation does not exceed available funding, and (b) WDACS obtains County Counsel approval as to form of the amendment prior to any such amendments. WDACS shall provide written confirmation to the CEO within thirty (30) working days of completing these actions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The LAEDC provides BTA program services by outreaching to distressed businesses, conducting assessments, providing direct services (e.g. assistance with loans or grants), and facilitating linkages to appropriate local partners (including the County America's Job Centers of California, or AJCCs). By doing so, the program strengthens the operations of those distressed businesses and assists them with resources to stay in business.

WDACS currently has four (4) subawards with LAEDC for the provision of BTA services, which have an approved delegated authority amount up to \$250,000 each. In June 2020, WDACS received an additional \$225,000 (\$56,250 per subaward) in emergency funds from the State's Employment Development Department (EDD) to assist businesses impacted by the COVID-19 Pandemic. This funding exceeds WDACS' current delegated authority cap of \$250,000 per subaward. WDACS is requesting approval to retroactively pay LAEDC for those services already rendered which is beyond our previously approved \$250,000 delegated authority.

In the current FY, WDACS received an additional \$280,000 in layoff aversion funding from EDD. For LAEDC to continue providing crucial BTA services through the end of this FY, WDACS is requesting approval to add these funds to the four (4) subawards as follows: \$133,750 for the Antelope Valley, West San Gabriel Valley and East San Gabriel Valley/Southeast Los Angeles areas, bringing the total funding amount for these subawards to \$383,750 each; in addition, WDACS is seeking approval to add \$103,750 to the subaward for the South Los Angeles/West Los Angeles area, bringing the total to \$353,750. These total subaward amounts represent funding through the entirety of the subaward, effective July 1, 2018 through June 30, 2021. WDACS is also seeking approval to extend each of the (4) four LAEDC subawards during FY 21-22 at \$87,500, bringing the four-year total to \$471,250 each for the Antelope Valley, West San Gabriel Valley and

East San Gabriel Valley/Southeast Los Angeles areas, and \$441,250 for the South Los Angeles/West Los Angeles area.

WDACS has significantly expanded and enhanced its programs and services to meet urgent needs during the pandemic. Key efforts include implementing the Great Plates Delivered Program and expanding other senior meal programs; launching the Employer Assistance Grant Fund; establishing Personal Protective Equipment distribution programs; and scaling up emergency food distribution via our Community Centers, as well as reemployment efforts for displaced workers. Given the significant increased demands on our programmatic and administrative systems, we are postponing contract solicitations to the extent possible. Extending the existing subawards would allow WDACS and potential proposers sufficient time to recover from the strain of the COVID-19 pandemic and re-procure the program during FY 21-22.

Importantly, LAEDC has shown the ability to handle the increased workload that has resulted from the COVID-19 pandemic. The BTA program prevented nearly four (4) times as many layoffs from March 2020-June 2020 (the heart of the pandemic) compared to March 2019-June 2019; the program also reached over three (3) times as many County businesses during the same comparison period.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support Countywide Strategic Plan Goal 2: Foster Vibrant and Resilient Communities, in particular Strategy II.1 Drive Economic and Workforce Development in the County, by supporting local distressed businesses in need of workforce services to prevent as many layoffs and business closures as possible.

FISCAL IMPACT/FINANCING

The BTA program is funded through the Workforce Innovation and Opportunity Act (WIOA) 25% discretionary Rapid Response Layoff Aversion funding. Federal funding for this program has been assigned a Catalog of Federal Domestic Assistance (CFDA) program number as follows:

- WIOA Dislocated Worker funds (includes Rapid Response Layoff Aversion): 17.278; Federal grantor is Department of Labor

There is no impact to Net County Costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The BTA program aims to strengthen the operation of businesses served by increasing financial and labor stability, which supports the business assistance elements codified by Public Law 113-

128 under WIOA. WIOA was signed into law on July 22, 2014, and it amended and reauthorized the Workforce Investment Act of 1998. WIOA strives to improve state and local workforce development systems to ensure they prepare a skilled workforce for the 21st century economy.

CONTRACTING PROCESS

LAEDC was procured through the BTA Request for Proposals, which was initially released on March 2, 2018, and was re-released on July 31, 2018, because no bids were received by the deadline for Service Area 4 (South Los Angeles/West Los Angeles area). LAEDC was the successful proposer for all four (4) Service Areas. WDACS executed the subawards with LAEDC in accordance with the delegated authority provided by your Board on June 13, 2017, to enter into contracts related to workforce program innovations and professional administrative services, in an amount up to \$250,000. This delegated authority is effective through June 30, 2022.

WDACS is requesting the additional \$225,000 (\$56,250 per subaward) in emergency funds received from EDD in 2020 be retroactively added to the subawards in accordance with Board Policy 5.105 "Timely Submission of Contracts for Board Approval." The justification for this action falls under reason 1) The relevant Department Head provides a compelling justification that the contract is of critical nature and an urgent necessity to protect the public health and/safety; and 2) The County is receiving funds from a higher level of government. This request is also in compliance with the Internal Services Division memo dated April 27, 2020, "Revisions to Retroactive Contracts Review Committee Procedures." Payment to LAEDC for services rendered is urgent. Moving forward, WDACS will ensure any funding for subawards that exceeds our delegated authority is approved in advance by your Board.

MONITORING REQUIREMENT

Administrative, programmatic, and fiscal monitoring of WIOA program subrecipients will be conducted on an annual basis to ensure subaward compliance. Monitoring will be completed by the Los Angeles County Department of the Auditor-Controller.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow for the continued provision of BTA program services to distressed businesses within the County to support COVID-19 pandemic response and recovery efforts.

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CONCLUSION

Should you have any questions, you may contact me directly, or your staff may contact Mr. Kevin Anderson, Special Assistant, at kanderson@wdacs.lacounty.gov.

Respectfully Submitted,



OTTO SOLÓRZANO
Acting Director

OS:PG:CD
MY:jd

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel