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**Office of Small Business:**  
(844) 432-4900



June 4, 2024

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

Dear Supervisors:

**DELEGATE AUTHORITY TO EXTEND AND AMEND THE  
SOCIAL ENTERPRISE EMPLOYMENT AND TRAINING  
MASTER AGREEMENT AND IMPLEMENT THE EQUITY IN  
COUNTY CONTRACTING CASH ADVANCE PILOT  
(ALL SUPERVISORIAL DISTRICT) (3 VOTES)**

The Department of Economic Opportunity (DEO) is seeking Board approval to extend the Social Enterprise Employment and Training Master Agreement (SEMA) for an additional two (2) Fiscal Years (FY), amend the SEMA Request for Statement of Qualifications (RFSQ) and implement a Pilot Cash Advance policy (Pilot). Currently, the SEMA is comprised of seventy-five certified Social Enterprises (SE) that provide a variety of employment and training services to a transitional workforce.

**IT IS RECOMMENDED THAT THE BOARD**

1. Authorize the Director of DEO, or designee, to extend and amend the existing SEMAs (Attachment A), and Work Orders issued thereunder, which are set to expire on June 30, 2024, for an additional two (2) FYs through June 30, 2026.
2. Authorize the Director of DEO or designee to amend the SEMA RFSQ to increase the eligibility requirement from \$75,000 to \$100,000 for restricted or limited tier eligibility for start-up SEs and smaller SEs that may compete for lower-risk Work Orders.
3. Delegate authority to the Director of DEO, or designee, to implement the Equity in County Contracting (ECC) Cash Advance Pilot (Attachment B) applicable to community-

*Edward Yen*

EDWARD YEN  
EXECUTIVE OFFICER

based private nonprofit agencies where the funding sources allow for advances, providing advances of up to 15% of the agreement amount upon Contractor's written request and DEO approval.

4. Authorize the Director of DEO, or designee, to execute amendments to the SEMA, or as applicable to individual Work Orders, to add new, relevant or updated federal, state and/or County terms; execute renewals, issue Cost of Living Adjustments (COLA) when applicable and in compliance with the terms of the SEMA, and increase or decrease the Work Order funding amounts that may exceed 10% based on the availability of funding and/or based on the SE's performance provided that: (a) the total Work Order amount does not exceed the available funding and (b) County Counsel approval is obtained as to form prior to issuance of any amendment and authorize the Directors of each County department, or their designees, to do any of the above items as it pertains to Work Orders they award through the SEMA.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

Your Board approved a motion on June 12, 2016, that directed Workforce Development, Aging and Community Services (WDACS), dissolved by the BOS on May 3, 2022, in partnership with the Department of Consumer and Business Affairs (DCBA) and County Counsel, to establish a Master Agreement for SEs certified by DCBA (Office of Small Business). The motion's primary purpose was to increase contracting opportunities for SEs whose primary purpose was to enhance Los Angeles County through economic, social, and environmental stability. On May 3, 2022, the BOS approved the creation of DEO effective July 1, 2022, to administer the SEMA and transfer the Office of Small Business from DCBA to DEO and with it the responsibility to certify SEs.

The SEs included in the SEMA provide a wide variety of services that benefit persons throughout the County. Some SEs specifically focus on providing employment services to individuals with employment barriers, such as those experiencing homelessness, as well as justice-involved individuals. The SEMA enables County Departments to release Work Orders for a wide variety of services, such as landscaping, janitorial services, construction, graffiti removal and digital printing. WDACS/DEO has used the SEMA to procure a variety of services including operating the Jail-Based Job Center at Pitchess Detention Center and providing employment services for justice-involved individuals and those experiencing homelessness.

DEO was also tasked with making the SEMA more accessible to smaller SEs and non-profits by setting up a restricted or limited tier eligibility for organizations unable to submit three (3) audited financial statements. SEs that submit three (3) audited financial statements for review by DEO are potentially eligible to apply for Work Orders over \$75,000 and SEs that are unable to submit audited financial statements can submit a Statement of Qualification (SOQ) that responds to a series of financial questions such as tax delinquencies (federal, state, or local), describe the SE's accounting system, and its internal controls. If approved by the County,

the SE is issued a Master Agreement, and the SE will be eligible to apply for Work Orders under \$75,000. DEO is coming to the BOS to increase this eligibility for SEs that are unable to provide audited financial statements from \$75,000 to \$100,000. This will make the SEMA more accessible to smaller SEs and non-profits while providing sufficient risk mitigation by limiting the work orders SEs under the restricted or limited tier can submit a proposal in response to a SEMA Work Order.

On August 9, 2022, your Board adopted the Implementing the Priority Strategies of the Equity in County Contracting Project Team Motion directing the Internal Services Department (ISD) to work in consultation with the CEO, Auditor-Controller (A-C), County Counsel and DEO, to develop a pilot program for one (1) or more departments that will mandate annual automatic contract advances for a specified set of contracts with CBOs where feasible (given legal, funding, and other restrictions) and require the chosen departments to report back to the Board on progress on a bi-annual basis.

In accordance with the Board directive, a Cash Advance Pilot (Attachment B) has been developed utilizing the funding source authority or authority granted to counties pursuant to subdivision (c) of Government Code 11019 to provide advance payments under limited specified conditions. The Pilot will utilize DEO's SEMA Work Orders to issue cash advances to community-based private nonprofit agencies up to 15% of the contract amount upon Contractor's written request for such advance and DEO's approval. The advances will be used to support the SE's operational/programmatic costs and the advance will be repaid through services to participants seeking employment and training services.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommendations are consistent with the principles of the Countywide Strategic Plan:

- North Star 1: Make Investments that Transform Lives by supporting social mobility, economic and workforce development, job training, meaningful connections, and access to employment opportunities with sustainable wages for County residents, with emphasis on those who are experiencing barriers to employment or the ability to earn a sustainable wage. Support small and large business growth to maintain job supply; and
- North Star 2: Realize Tomorrow's Government Today by striving to meet the highest standards and promote a more diverse and inclusive County workforce that seeks to be representative of County residents.

### **FISCAL IMPACT/FINANCING**

This SEMA itself does not include any funding nor any work orders but puts in place a methodology for work orders with funding to be awarded to certified SEs. Only certified SEs that become contractors on the SEMA will be allowed to participate in submitting proposals

for County SEMA Work Orders; if successful, the agencies will be awarded funding depending on the nature of the Work Order. DEO encourages the use of this process by all County departments so that they may better utilize SEs as they contract for services.

DEO anticipates advancing approximately \$350,000 in NCC funds to Measure H funded contractors that are Community Based Private Non-Profits and anticipates advancing an approximately \$1.2 million in NCC in FY 25/26.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS/NEXT STEPS**

Going forward, DEO intends to issue a new Social Enterprise RFSQ in FY 2026 prior to the closing of the current SEMA extension. The three (3) main goals of the new SEMA RFSQ are: 1) to make the anticipated FY 2026 SEMA RFSQ potentially more accessible to smaller SE's and non-profits through the consideration of new eligibility requirements; 2) add language to the Master Agreement allowing cash advances; and 3) continue to update the standard terms and conditions.

### **CONTRACTING PROCESS**

On December 30, 2016, WDACS released the RFSQ for the provision of Social Enterprise Employment and Training Program Services. The RFSQ was reviewed by County Counsel, DCBA and the Chief Executive Office. The RFSQ, which is continuous and has no due date, seeks certified-SEs to provide services to a transitional workforce including under-employed or hard-to-employ persons that may be homeless, formerly incarcerated, or those that face significant career-limiting barriers to employment. To date, DEO has entered into Master Agreements with seventy-five SEs throughout the County that provide a variety of services. The RFSQ was advertised in greater Los Angeles County newspapers, such as The Los Angeles Times, Los Angeles Daily News, San Gabriel Valley Tribune, Hoy, Long Beach Press Telegram, Antelope Valley Press, Daily Breeze, and Los Angeles Sentinel. Notification of this RFSQ was sent to approximately 400 plus potential contractors. On May 14, 2019, WDACS received approval from the BOS to extend the term through June 30, 2024.

### **MONITORING**

DEO has issued guidance to all Departments which instructs each Department to conduct its own monitoring based on the requirements set out in their Work Order. Any Work Order issued by DEO will be monitored for contract compliance, and adherence to administrative and programmatic requirements, through the Department's Contract Compliance Division.

In addition, fiscal monitoring of DEO's work orders will be conducted by the Department of the Auditor-Controller, or its contractors. Each County Department will be responsible for conducting its own monitoring, including, but not limited to, monitoring performance, Living Wage requirement, etc.

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**IMPACT ON CURRENT SERVICES OR PROJECTS**

Approval of the recommended action will allow for the continued provision of services provided by SEs to underserved populations and communities throughout the County.

**CONCLUSION**

Should you have any questions, you may contact me directly, or your staff may contact Kevin Anderson, Program Manager at (213) 738-2593 or [KAnderson@opportunity.lacounty.gov](mailto:KAnderson@opportunity.lacounty.gov).

Respectfully Submitted,



Kelly LoBianco, Director

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Attachments

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

## SOCIAL ENTERPRISES WITH MASTER AGREEMENTS

No	Social Enterprise Information	Services Social Enterprise Provide
1	<b>Alzheimer's Greater Los Angeles</b> 4221 Wilshire Blvd. Suite 400 Los Angeles, CA 90010 323-930-6225	Caregiver support including case management, support groups, training to improve the lives of families affected by Alzheimer's and dementia by increasing awareness, delivering effective programs and services, providing compassionate support, and advocating for quality care and a cure.
2	<b>Antelope Valley Domestic Violence Council</b> P.O. Box 2980 Lancaster, CA 93539 661-949-1916	Domestic Violence shelter, CalWORKS outreach, CalWORKS Legal, homeless services. Children's services, Domestic Violence Housing.
3	<b>Antelope Valley Partners for Health</b> 44226 10th St West Lancaster, CA 93524 661-942-4719	Healthy Cafe and Conference Center, health care, nutrition and physical activity, community wellness, access to health care, food and cafeteria services.
4	<b>Anti-Recidivism Coalition (ARC)</b> 1320 East 7th St. Suite 260 Los Angeles, CA 90021 213-955-5885	Re-entry services.
5	<b>Asian Youth Center</b> 100 West Clary Avenue San Gabriel, CA 91776 626-309-0622	Barber and cosmetology, retail, grocery, educational support, library services, administrative and clerical, parks and recreation, family services, senior services, hospitality, restaurant, health care, tax preparation, childcare, janitorial and construction. Gang intervention services.
6	<b>Better 4 You Meals</b> 5743 Smithway St Commerce, CA 90040 323-838-5555	Large provider and caterer of healthy meals to children, adults and seniors under the following programs: Senior Nutrition Program; School Breakfast Program; National School Lunch Program; Child and Adult Care Food Program.
7	<b>Center for Employment Opportunities</b> 448 Hill Street #915 Los Angeles, CA 90013 909-272-9957	Grounds keeping, highway clean up, rubbish removal, graffiti removal, street clean up, even set up, pre- and post-construction clean up, janitorial, office/classroom reconfiguration, recycling, light demolition, renovation services.
8	<b>Center for Living &amp; Learning</b> 14549 Archwood Street, #221 Van Nuys, CA 91405 818-442-0238	Service/call center, clerical, outreach/education, job readiness services for vulnerable individuals, consulting to businesses on onboarding disadvantaged populations with the emphasis on re-entry population. Intensive job readiness services to those transitioning from treatment, incarceration and welfare. We place them into construction, warehouse, retail, customer service, janitorial and social service provider positions.
9	<b>Children's Center of the Antelope Valley</b> 45111 Fern Avenue Lancaster, CA 93534 661-949-1206	Protect children from child abuse, neglect and trauma. Training center for Associates in Marriage and Family Therapy, Social Work and psychology. Provide services to children leaving out-of-home care for adoption or other family permanency.
10	<b>Conservation Corps of Long Beach</b> 340 Nieto Avenue Long Beach, CA 90814 562-446-4547	Young adults ages 18 - 25 are provided paid job skills training, work experience and knowledge for environmental work projects in the greater Long Beach area and Gateway Cities of Southeast LA County. Projects include land management/maintenance, construction, solar installation, recycling, sanitation, and landscaping. Young adults are provided case management, barrier removal and wrap-around services, and access to high school diploma or post-secondary/vocational education.

11	<b>CRCD Enterprises</b> 3101 S. Grand Avenue Los Angeles, CA 90007 213-743-6193	General construction, facilities maintenance, graffiti abatement, street maintenance.
12	<b>David and Margaret Youth &amp; Family Services</b> 1350 Third St La Verne, CA 91750 909-596-5921	Transitional youth employment and training services for youth exiting foster care and probation and experiencing homelessness and/or are formerly homeless. Culinary internships, training in high-growth sectors, substance abuse services and transitional housing assistance.
13	<b>Downey Restaurant Group</b> 8830 Apollo Way Downey, CA 90242 562-381-2517	Gaucha places a commitment to excellence and value to ensure healthy meals and service to our most vulnerable population, through uncompromising quality, safety, and a wide diversity of foods to accommodate all people's taste preferences, health needs, and dietary concerns. Since May 2020 Gaucha Grill has been a proud participant of the LA County Great Plates Delivered Program where we have been delivering three nutritious meals per day to help older adults and adults at high risk from COVID-19 to stay healthy at home.
14	<b>Downtown Women's Center</b> 442 San Pedro St Los Angeles, CA 90013 213-213-2818	Downtown Women's Center provides a wide array of resources to decrease barriers and end homelessness for good for all women, including female veterans and their families, women with severe physical and mental health concerns, and survivors of domestic violence.
15	<b>Eos Consulting</b> 3777 Boise Avenue Granada Hills, CA 90066 310-699-3230	Education, Internships, apprenticeships, Employment, Skillset accelerators, talent incubators, work-based learning activities, professional development.
16	<b>Faith and Community Empowerment (FACE)</b> 3550 Wilshire Blvd #736 Los Angeles, CA 90010 213-216-3676	Provide transitional or permanent employment and training services for targeted workers who face barriers to employment and/or qualified individuals to seek jobs in high-growth and other sectors.
17	<b>First Place For Youth</b> 3530 Wilshire Blvd Suite 600 Los Angeles, CA 90010 213-835-2700	Transitional and permanent employment. Health care. Construction, arts, communication, logistics, hospitality, culinary job training.
18	<b>First Step Staffing</b> 500 S. Main St Los Angeles, CA 90013 626-337-6701	Employment, transportation (limited basis), job coaching. First Step Staffing is the largest nonprofit light-industrial staffing agency in the United States with offices in GA, PA, TN and Southern CA. Founded in 2007 in Atlanta, First Step currently employs over 5000 individuals, and is on a mission to provide a path out of homelessness through work experience. First Step is a financially independent and self-sufficient social enterprise.
19	<b>Five Keys Schools and Programs</b> 70 Oak Grove St San Francisco, CA 94107 415-734-3310	Green building/construction, welding/materials joining, masonry, carpentry woodworking, building maintenance tech, bike/wheelchair repair tech, commercial printing, commercial painting, pet grooming, culinary arts, cooking, baking, safe food handler certification, digital literacy/computer skills, screen printing, horticulture/landscaping, sustainable farming, agricultural greenhouse/aquaponics, irrigation, integrated pest management, bio-organic recycling, composting. Gang intervention services.

20	<b>Flintridge Center</b> 236 West Mountain St, Suite 106 Pasadena, CA 91103 626-449-0839	Target population is formerly incarcerated and gang- impacted individuals from throughout Los Angeles County. Provide wrap-around services that eliminate re-entry barriers. Services include case management and systems navigation, financial literacy, life skills, resource fairs, legal clinics, know your rights and responsibilities trainings, workforce development. Constituents placed in union construction careers through apprenticeship preparation.
21	<b>Goodwill Industries of Southern California</b> 342 North San Fernando Road Los Angeles, CA 90031 323-223-1211	Recruiting solutions, document imaging, secure shredding, custodial and landscape services, assembly and fulfillment.
22	<b>GRID Alternatives</b> 1338 S. Flower Street Los Angeles, CA 90015 310-735-9765	Solar electric system installation for low-income homes. With programs like Troops to Solar, Women in Solar, and reentry internships for formerly incarcerated individuals, GRID provides job training to people with significant barriers to employment.
23	<b>Harbor Area Gang Alternatives Program</b> 399 W. Opp St Wilmington, CA 90744 310-519-7233	Gang prevention, graffiti education and prevention, after-school programs, case management, homework assistance.
24	<b>HelpGood LLC</b> 145 S. Fairfax Avenue Suite 200 & 300 Los Angeles, CA 90036 646-493-3700	Marketing and communications agency that focuses on working with nonprofits, government agencies and other purpose-driven organizations on their social impact.
25	<b>Homeboy Industries</b> 130 W. Bruno St Los Angeles, CA 90012 323-526-1254	Gang intervention. Case management, mentorship (via a navigator), mental health (individual therapy), curricular classes (academic, support, life skills), outpatient substance abuse program, tattoo removal, legal services, job training, food handling, baking.
26	<b>Homeboy Recycling</b> 1370 E. 18th St Los Angeles, CA 90021 323-222-3322	Provide secure and responsible electronics recycling and reuse solutions with uncompromising service quality, while employing men and women who face severe barriers to work because of a criminal record. In short, Homeboy Recycling is building a world in which our human and natural resources are valued, not wasted.
27	<b>Hospitality Industry Training and Education Fund dba Hospitality Training Academy</b> 130 South Alvarado St. 2nd Floor Los Angeles, CA 90057 310-597-1898	Provides career pathway and jobs in the hospitality, food service and tourism sector.
28	<b>Hub Cities Consortium</b> 2677 Zoe Avenue Huntington Park, CA 90255 323-586-4700	Participants placed in clerical, customer service, transportation, security guard, advanced manufacturing, construction, retail, food prep, positions in the medical field. Services provided include paid work experience, job search, job coaching and mentoring. Navigation services for probationers. Business needs assessment. Gang intervention services.
29	<b>Human Services Association</b> 6800 Florence Avenue Bell Gardens, CA 90201 562-806-5400	Alzheimer's Day Care Resource Center, Home Based Care, Congregate Meals, Multipurpose Senior Services Program, Care Management, Family services, early childhood services.



30	<b>Independent Living Partnership</b> 6235 River Crest Drive Suite Q Riverside, CA 92507 951-653-0740	Volunteer driver service providing thousands of residents who are elderly and disabled, do not drive, have no family to drive for them, are unable to use public transportation alternatives, and are unable to access needed health care or other life sustaining services without our assistance. More than a "transportation" program, ILP reconnects the isolated and alone with their neighbors and communities empowering them to remain more independent and self-reliant and live happier lives.
31	<b>JVS SoCal</b> 6505 Wilshire Blvd Los Angeles, CA 90048 323-761-8888	JVS SoCal provides job readiness, job training and transitional and permanent employment services for high-barriered job seekers. Key sectors include Healthcare, Construction, Energy and other Green Jobs, Transportation/Logistics. JVS SoCal operates AJCCs and serves Veterans, single parents, TAY youth, people moving from public benefits to employment, immigrants/refugees, precariously housed and persons living with disabilities. In addition to training and employment, JVS SoCal provides assistance with accessing medical care, legal advocacy, life skills training, better budgeting skills, transportation, food, and professional clothing.
32	<b>Kids Progress Inc.</b> 210 E. 101 St Los Angeles, CA 90002 323-249-2911	Workforce Development with Emphasis on Case Management and Access to Training Programs in Construction, Healthcare and other High-demand Sectors.
33	<b>Kingdom Causes Bellflower</b> 16429 Bellflower Blvd. Bellflower, CA 90706 562-804-2189	Housing, landscape, homelessness.
34	<b>Los Angeles Conservation Corps</b> 605 W. Olympic Blvd Suite 420 Los Angeles, CA 90015 213-362-9000	Youth workforce development agency providing paid work experience to underserved young adults (ages 18-24) in various conservation-related work projects, like land management, construction, recycling, sanitation, landscaping, and more.
35	<b>Managed Career Solutions, SPC</b> 3333 Wilshire Blvd Suite 405 Los Angeles, CA 90010 213-355-5312	Workforce development, employment preparation, employment training, and temporary subsidized employment services and other similar opportunities for multi-barrier young adult and adult job seekers.
36	<b>New Earth Organization</b> 6001 Bristol Parkway #200 Culver City, CA 90230 310-455-2847	Educational, vocational and arts programs for justice and systems involved youth ages 13-15. Fully accredited High School Diploma program serving youth up to age 24. Mental health and trauma informed wrap-around services, food distribution, transitional jobs and staffing of young people in digital media, assembly and food distribution.
37	<b>New Economics for Women</b> 303 South Loma Drive Los Angeles, CA 90017 213-483-2060	Housing, health, economic mobility, family resources, financial resources.
38	<b>New Opportunities Organization</b> 110 S. La Brea Avenue Suite 305A Inglewood, CA 90301 562-879-4284	Restorative justice community-based adult charter high school. Provides disenfranchised and at-risk individuals the training for academic, vocational, social, emotional skills required for obtaining work skills and successful participation for re-entry to society as effective, participating and productive citizens. Re-entry support services to incarcerated, formerly incarcerated and other justice-system involved individuals.
39	<b>PATH (People Assisting the Homeless)</b> 340 N. Madison Avenue Los Angeles, CA 90004 323-644-2225	In Los Angeles we provide a variety of services for our neighbors experiencing homelessness that include employment, outreach, homelessness prevention, housing navigation, interim housing, rapid rehousing, and permanent supportive housing.

40	<b>Peace Love Knowledge</b> 16406 Kalisher St Granada Hills, CA 91344 661-904-8066	Education, training, community support, houselessness, mental health, and empowerment.
41	<b>Playa Vista Job Opportunities and Business Services</b> 4112 S. Main Street Los Angeles, CA 90037 323-432-3955	Gang intervention. Places at-risk youth, disadvantaged adults and veterans in career-track employment opportunities in construction and related industries. At-risk clients include those persons who have any one of the following characteristics at the time of program enrollment: did not complete high school; history of substance abuse; household income below 50% of median; gang affiliation; homeless; welfare recipients; history of involvement with the justice system; chronically unemployed; single parent. Pre-apprenticeships and apprenticeships for construction certification.
42	<b>PRIDE Industries One, Inc.</b> 10030 Foothill Blvd Roseville, CA 95747 916-788-2100	Employment-related services to persons with barriers. Serve persons with disabilities, the homeless, emancipated foster youth, transitional aged at-risk youth, and trafficking survivors. Provide training and pre-employment services.
43	<b>Roberts Enterprise Development Fund (REDF)</b> 101A Clay St #103 San Francisco, CA 94111 415-561-6677	REDF provides consulting services to employment SEs to grow their businesses and employees.
44	<b>Roots Community Health Center</b> 9925 International Blvd Suite 5 Oakland, CA 94603 510-777-1177	Gang intervention services, including cognitive behavioral program, case management, tattoo removal and peer mentorship.
45	<b>Safe Refuge</b> 3125 East 7th St Long Beach, CA 90804 562-987-5722	Residential and outpatient drug and alcohol treatment programs, Intensive day treatment, Group counseling, Private, individualized counseling, Housing programs for low-income and homeless individuals and families, as well as people recovering from substance abuse.
46	<b>Salazar Landscaping</b> 10423 Atlantic Avenue South Gate, CA 90280 310-529-2291	A certified B Corporation with the goal of creating healthy. Sustainable, landscapes that fit their clients' needs. Specializing in landscape design, landscape construction and landscape maintenance.
47	<b>San Gabriel Valley Conservation Corps</b> 10900 Mulhall St El Monte, CA 91731 626-655-0015	Youth acquires knowledge in various trades such as environmental and conservation work, construction, masonry, plumbing, framing, drywall, roofing, recycling and organic farming.
48	<b>Special Service For Groups (SSG)</b> 905 East 8th St Los Angeles, CA 90021 213-553-1800	Health access and advocacy, behavioral health programs, housing and homeless services, forensic and criminal justice program, re-entry services.
49	<b>Task Force, LLC</b> 4313 Mentone Avenue Culver City, CA 90232 323-333-1306	Public marketing agency that builds capacity and community for organizations taking on pressing challenges facing the state, nation and world. Works primarily with the arts/culture and social change.
50	<b>The Chrysalis Center</b> 522 S. Main St Los Angeles, CA 90013 213-806-6358	Janitorial, housekeeping, administrative/clerical. Hospitality, customer services, warehousing, light industrial, custodial, event support and general labor of all types. Professional maintenance services for public rights of way, parks, freeways and buildings/janitorial contracts. Sidewalk sweeping, pressure washing, graffiti abatement, debris/bulk item removal, and landscaping services outdoors and a full suite of indoor janitorial solutions.

51	<b>United States Veterans Initiative</b> 800 W 6th St Suite 1505 Los Angeles, CA 90017 213-542-2605	Veterans services including housing, employment, workforce development, case management, outreach, mental health treatment and addiction treatment, as well as assistance with accessing benefits such as medical care, financial management, legal advocacy, child support resolution, life skills training, social support, recreational activities, transportation, food, clothing and other basic necessities.
52	<b>Volunteers of America of Los Angeles</b> 3600 Wilshire Blvd Suite 1500 Los Angeles, CA 90010 213-389-1500	Program services include: children/youth services (head start, parenting education, gang intervention, drug abuse prevention, tutoring, college preparation), respite care services, housing services for those escaping domestic violence, homeless services (280 beds of crisis housing, 746 beds of transitional housing, 1,500 unites of permanent housing, employment services, street outreach, 4 access centers, housing navigation and location, benefits advocacy, homelessness prevention, and rapid re-housing), senior services (affordable housing, companion animal program), recovery and re-entry services (employment, housing, substance abuse treatment, mentoring) and Veterans services (employment, housing, mentoring, substance abuse and mental health services, and supportive services).
53	<b>Weingart Center Association</b> 566 S. San Pedro St Los Angeles, CA 90013 213-689-2162	Homeless training and employment services. A comprehensive human services center for homeless men and women living in Skid Row, Los Angeles. It provides a variety of services to ensure participants make a successful transition into a job and back into society.
54	<b>Whole Systems Learning</b> 8504 Firestone Blvd Downey, CA 90241 310-710-1822	Gang intervention including cognitive behavioral program, case management, tattoo removal, and peer mentorship.
55	<b>WISE &amp; Healthy Aging</b> 1527 4th St 2nd Floor Santa Monica, CA 90401 310-394-9871	Programs and services for older adults, caregivers and professionals working in the aging field. Adult Day Service Center, Alzheimer's Day Care Resource Center, Care management, in-home services, and long-term care ombudsman. Populations served include disabled adults and senior residents in long-term care facilities.
56	<b>Women in Non-Traditional Employment Roles (WINTER)</b> 4741 E. Cesar Chavez Avenue Los Angeles, CA 90022 213-749-3970	Education, construction job training, union apprenticeship job placement, mentorship/retention services, collaboration and support strategies.
57	<b>Worker Education &amp; Resource Center</b> 1545 Wilshire Blvd Suite 500 Los Angeles, CA 90017 213-639-2220	Workforce development programs in partnership with public service and safety net employers. Conducts research and planning, develops curriculum, and provides dynamic, cutting-edge education and training programs within a worker-centered, supportive environment. Currently launching a partnership to create workforce development opportunities within the healthcare and public service sector of the County of Los Angeles.
58	<b>Youth Mentoring Connection</b> 4103 W. Adams Blvd 2nd Floor Los Angeles, CA 90018 323-337-6866	Employment and training to at-risk youth. College access and workforce training, financial literacy and basic functioning skills. Healthcare, construction, hospitality and tourism, cafeteria/food services, and bio-med sectors.
59	<b>YMCA Greater Los Angeles</b> 120 S. Olive St 7th Floor Los Angeles, CA 90015 213-365-2991	Digital printing services including brochures, flyers, letterhead, business cards, booklets, calendars, post cards, invitations, labels, NCR forms, event tickets, presentation folders, banners and posters. Graphic design services. Digital print shop training.
60	<b>Bel-Air Guest Home</b> 1440 N. Stanley Ave Los Angeles, CA 90046 323-876-3370	Senior assisted living facility, provide meals, social educational and entertaining amenities to encourage members to socialize and develop friendships.

61	<b>Manor House of Antelope Valley</b> 45550 11th St West Lancaster, CA 93534 661-951-2085	Assisted Living, Long-term Residential Care for the Elderly. Activities, exercise, meals, and socialization.
62	<b>Manor House of Los Angeles</b> 345 N. Harvard Blvd Los Angeles, CA 90004 323-664-1980	Assisted Living, Board and Care Home, Daily activities and community sponsored events that foster social interaction and engagement.
63	<b>Paving the Way Foundation</b> 44818 Fern Avenue Suite 105 Lancaster, CA 93534 661-522-4134	Re-entry services and training services to improve skillsets to enjoy increase quality of purpose and quality of their lives. Housing assistance, community job fairs and licensing.
64	<b>Joy Youth Services, Inc.</b> 14093 Lemoli Avenue Hawthorne, CA 90250 310-704-8705	Education, training, encourage and empower at-risk youth and families. Community outreach and support.
65	<b>TLC Staffing Solutions</b> 112 South Avenue 66 Unit 12 Los Angeles, CA 90042 424-345-5336	Education, employment services and recruitment for individuals with disabilities and other barriers to employment, creating a bridge to link employer growth and job seeker opportunities.
66	<b>Lancaster Homeless Group</b> 261 N. Madison Avenue #407 Pasadena, CA 91101 818-862-6643	Hiring and job training, supportive services, career transition for homeless people.
67	<b>Leis Consulting Group</b> 28364 S. Western Avenue #65 Rancho Palos Verdes, CA 90275 213-949-4240	Full services for Financial and Business management for small businesses, managing implementation for government contracts in Architecture, Engineering, Construction, and Community housing Service Firms. A catalyst for opportunities that transform the quality of life for individuals challenged by poverty, single parenthood, age or addiction.
68	<b>Urban Quality Living, Inc.</b> 11105 Rose Avenue Suite 106 Los Angeles, CA 90034 424-372-7431	Housing, Trauma Care, Health and Wellness, Education, Employment, and Community resources.
69	<b>NeuroTalent Works, Inc.</b> 3579 E. Foothill Blvd #220 Pasadena, CA 91107 626-470-7873	Education, Employment, Supportive Services for the neurodivergent communities. Increase awareness of the value of a neurodiverse workplace and neurodivergent talent. Transition gifted individuals on the autism spectrum into valuable talent for corporations.
70	<b>Lost Angels Children's Project, Inc.</b> 45059 Trevor Avenue Lancaster, CA 93534 661-406-3681	Provides services for disadvantaged youth, families, and distressed communities through innovative vocational training, social enterprise, and traditional outreach programs.
71	<b>Would-Works, Inc.</b> 407 E Pico Blvd #1003 Los Angeles, CA 90015 213-290-2533	Employment and training for people experiencing homelessness in the craft of woodworking.
72	<b>Covenant House California</b> 1325 North Western Avenue Los Angeles, CA 90027 323-461-3131	Youth Transitional and permanent training services, Education, transitional housing and foster care services.
73	<b>Veteran Social Services, Inc.</b> 231 East 25th St Los Angeles, CA 90011 213-441-7036	Housing, case management, education, vocational/employment services for veterans and their families. Mental health and substance abuse counseling.
74	<b>Chinatown Service Center</b> 767 N. Hill St #400 Los Angeles, CA 90012 213-808-1701	Primary Care Services, Behavioral Health and Social Services to address social determinant health impacting the physical and emotional wellbeing. Counseling, in-home services, case management, parenting education, mental health training and rehabilitation services. Cultural and linguistic competent services.

75	<b>OneGeneration</b> 17400 Victory Blvd Van Nuys, CA 91406 818-708-6610	Education, Transitional and permanent employment training services. Supportive services to low income seniors, homeless, foster youth and special needs, custodial kinship families and veterans.
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County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
 Los Angeles, California 90063


**SELWYN HOLLINS**  
 Director

*"Trusted Partner and Provider of Choice"*

Telephone: (323) 267-2101  
 FAX: (323) 264-7135

January 10, 2023

To: Supervisor Janice Hahn, Chair  
 Supervisor Hilda L. Solis  
 Supervisor Holly J. Mitchell  
 Supervisor Lindsey Horvath  
 Supervisor Kathryn Barger

From: Selwyn Hollins   
 Director

**REPORT BACK ON IMPLEMENTING THE PRIORITY STRATEGIES OF THE EQUITY IN COUNTY CONTRACTING PROJECT TEAM (ITEM NO. 4, AGENDA OF AUGUST 9, 2022)**

On August 9, 2022, your Board adopted the [Implementing the Priority Strategies of the Equity in County Contracting Project Team Motion](#) (Motion) directing the Internal Services Department (ISD) to work in consultation with the Chief Executive Office (CEO), Auditor-Controller (A-C), and Department of Economic Opportunity (DEO), to take the following actions within 90 days:

1. Directive 7a-Contract Advance Pilot: Develop a pilot program for one or more departments that will mandate annual automatic contract advances for a specified set of contracts with CBOs where feasible (given legal, funding, and other restrictions) and require the chosen departments to report back to the Board on progress on a bi-annual basis; and
2. Directive 7b-Contract Advance Policy: Report back to the Board in writing with the proposed contract advance policy and the plan to implement the policy across the pilot departments, including requirements that pilot departments must fulfill.

On November 9, 2022, ISD submitted a report back indicating the need for an extension to respond to the directives outlined above; per DEO's request for an extension submitted to your Board on November 9, 2022, an additional 30 to 60 days would be required to respond. The ECC Workgroup (Workgroup) comprised of DEO, A-C, County Counsel, ISD and CEO, continued to meet to address the Motion directives identified above as well as other open ECC objectives and directives. This report back specifically addresses the Motion directives relating to contract advances indicated above.

Each Supervisor  
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### Market Research Conducted

To properly address the Board motion directive, ISD researched advance payment models/policies enacted by other municipalities and found a wide range of policies, including:

- County of Sacramento (Division of Behavioral Health Services): Allows for one Program Start-up Advance or Emergency Advance per fiscal year when determined that an advance payment is essential for the effective implementation of the program. Contract advances should not exceed **10%** of the annual contract maximum. Requires advance request letter, detailed budget narrative, justification from contractor including plan of correction to prevent future financial instability.
- County of San Diego: Allows for contract advances to non-profits only as a last resort after all other alternatives have been exhausted (e.g., progress payments, loans from private institutions, etc.). Normally, contract advances should not exceed 45 days or 1-1/2 months' operating expenses (**~12.5%**), unless a longer period is justified. Requires Board transmittal letter and Contractor documentation, including cash flow statement and credit rating report.
- San Francisco: Allows for advances or prepayments to community-based, non-profit organizations to meet contractor cash flow needs in certain circumstances. San Francisco's Human Services Agency makes available to its Contractors, upon written request, an amount not to exceed two (2) months or 1/6<sup>th</sup> (**~16.67%**) of the total annualized contract award. Requires justification, proven track record of providing services and financial statement.
- New York: Allows all non-profit contractors advance of at least a **25%** of their annual budget across all agencies on health and human service contracts upon registration, and, for subsequent years.

### Recommended Contract Advance Pilot & Policy

In accordance with the Board directive, a pilot program has been developed for the recommended department, DEO, utilizing the funding source authority or authority granted to counties pursuant to subdivision (c) of Government Code 11019 to provide advance payments under limited specified conditions. The recommended contract advance model is similar to that of San Francisco and the City of New York. For example, the City of New York, provides eligible non-profit contractors with an advance standard across all agencies on health and human service contracts upon registration, and, for

subsequent years. Similarly, San Francisco provides advances to community-based, non-profit organizations to meet contractor cash flow needs in certain approved circumstances. The City of New York's Policy, which went into effect FY 2017, was developed via collaborative efforts between members of New York City's Non-Profit Resiliency Committee consisting of New York's City Hall, various administrative departments, leadership from across the non-profit sector, and 1,040 service providers for 135 programs and approximately 3,500 contracts valued at \$4.3 billion.

The pilot program will be utilizing DEO's Social Enterprise Master Agreement (MA) Work Orders and selected Net County Costs (NCC) funded programs that meet the policy criteria. The MA, which is currently extended through June 2024, includes a total of 71 qualified firms, all of which are confirmed qualified/certified Social Enterprises (SE), per the requirements of the Master Agreement. Currently, the MA supports the LA:RISE and Alternative Staffing Organizations programs, which leverage Measure H funding and support workforce development programs and outcomes for individuals experiencing homelessness. Other potentially eligible programs include NCC-funded workforce development programs like Youth@Work and PLACE.

The proposed Pilot Contract Advances for Community-Based Private Nonprofit Agencies Policy (Attachment 1) will be applicable to community-based private nonprofit agencies contracted for social services under the Department of Economic Opportunity's Master Agreement (MA) or other eligible NCC-funded programs where the funding source(s) allow for advances, providing advances of up to 15% of the contract amount upon Contractor's written request for such advance. The proposed pilot program can be launched as early as mid-2023, upon approval from the Board, as referenced in the Proposed Implementation Schedule (Attachment 2).

In proposing the recommendation to pilot contract advances with the above MA and selected NCC funded programs, various factors were considered including: (i) a fair and transparent process ensuring equal access and opportunity for Contractors to participate barring any federal or state funding restrictions, (ii) a large impact to the number of non-profit CBOs, (iii) the ability to leverage the pilot program to grow the MA, (iv) incentivized certification/participation in the County's SE preference program, (v) minimal/no funding restrictions (given lack of federal funding), (vi) increased competition by growing of the vendor pool, and (vii) legal requirements, such as those imposed by Government Code sections 11019 and 23007, and Cal. Const., art XVI, section 6, affecting the types of agencies and programs eligible for advances, limits on the amount of advances per fiscal year, and requisite determinations that must be made before providing an advance; and (viii) County Fiscal Manual section 1.1.5, Contractor Cash Flow Advances Guidelines.



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As required by the Motion directive, the department piloting the initiative will report back to your Board on progress on a bi-annual basis.

Potential Risks:

The following potential risks have been identified on the Pilot for Board consideration:

- **Risk of adversely affecting the County's cash flow:** Contract advances lower the County's General Fund cash balance, putting pressure on the County's cash flow and reducing the County's investment income.
- **Risk of losing County funds:** Potential loss of County funds if contractor is unable to repay advance(s), making the County liable to reimburse the funding agency. This conflicts with the Constitution of State of California that prohibits gift of public funds.
- **Risk of County paying interest:** Potential for the County to pay interest to funding agency if contractor fails to deposit advances in an interest-bearing account.
- **Fiscal Year End Budget Impact for Departments:** Outstanding advances past June 30<sup>th</sup> will affect the department's operating budget. The County's budgetary and accounting policies require that fund balance be reserved for contractor contract advances issued during the fiscal year that were not recovered by the end of the fiscal year.
- **Alternatives:** Instead of contract advances, the County should work with the contractors to find alternative solutions such as applying for grants, loans, and/or lines of credits from banking institutions. The County may also consider paying contractors twice per month when contractors are in need of cash flow or pay Contractor invoices within 10 days of receipt of invoice with the ability to offset future invoices for any subsequently identified overpayments.
- **Risk of Sanction:** Providing contract advances without permissible legal authority may result in sanctions against the County by State or federal agencies, including findings of disallowance and repayment.

Allow the pilot departments to evaluate the risks/impact of such advances on the County before expanding this out to all departments.

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**Conclusion**

ISD would like to thank all participating departments for their continued participation and involvement in furthering the efforts of this Motion. The responsible departments will await Board approval to proceed with the implementation of the contract advance pilot.

If you have any questions, please contact me at (323) 267-2101, via email at [SHollins@isd.lacounty.gov](mailto:SHollins@isd.lacounty.gov), or Christie Carr, of my staff at (323) 267-3101, via email at [CCarr@isd.lacounty.gov](mailto:CCarr@isd.lacounty.gov).

Attachments

c:     Executive Office, Board of Supervisors  
       Auditor-Controller  
       Chief Executive Office  
       County Counsel  
       Economic Opportunity



*Los Angeles County*  
**BOARD OF SUPERVISORS POLICY MANUAL**

Policy #:	Title:	Effective Date:
<b>X.XXX</b>	<b>Pilot Contract Advances for Community-Based Private Nonprofit Agencies</b>	<b>XX/XX/XX</b>

### PURPOSE

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Allows pilot County departments contracting with Community-Based Private Nonprofit Agencies for social services to offer eligible contractors annual contract advances, upon written request, subject to legal, funding, and other restrictions.

### REFERENCE

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[August 9, 2022 Board Motion, Implementing the Priority Strategies of the Equity in County Contracting Project Team](#)

Implementation Guidelines for Contract Advances Policy (Guidelines)

Request for Contract Advances for Community-Based Private Nonprofit Agencies Form

California Constitution, art. XVI, section 6

California Government Code section 23007

[California Government Code section 11019](#)

County Fiscal Manual Section 1.1.5.

Code of Federal Regulations 2CFR200 - Grants and Agreements

### POLICY

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This pilot Policy authorizes participating County Departments to advance payments to community based private non-profit agencies contracted for social services under certain conditions, specified below. When the funding source(s) allows for advances and the conditions of this pilot Policy are satisfied, Departments may provide annual advances on

all eligible contracts and/or work orders, upon Contractor's written request, up to a maximum of 15% of the annual contract amount.

## **Definitions**

**Community-Based Private Non-Profit Agency:** The term community-based non-profit agency means an IRS approved private nonprofit organization of demonstrated effectiveness that— (A) is representative of a community or significant segments of a community; (B) provides social services or related services to individuals in the community; and (C) is otherwise eligible to receive an advance under the funding source of the contract or work order (e.g., Government Code section 11019(c)).

**Social services:** Services provided for the benefit of the community, such as education, medical care, and housing. Activity aiming to promote the welfare of others.

**Request for Contract Advance:** A standard form provided in the implementation Guidelines for use by a Contractor to submit a request for a Contract Advance to a Department for consideration.

## **Requirements for Contract Advance**

Departments must:

1. When drafting a contract, work order, or solicitation, consult with their assigned County Counsel to determine if the funding source(s) of the contract or work order allows the use of contract advances, and if advances are allowed, include the Required Contract Language provided in the Guidelines, in the contract, work order, or solicitation.
  - a. If the authority for the advance is subdivision (c) of Government Code section 11019, for the effective implementation of a program, or another applicable State or federal law authorizing the advance payment, the Department must comply with all requirements of the authorizing law.
2. Whenever a Contractor submits a Request for Contract Advance, Departments must first consider all other funding options, such as progressive payments (weekly or bi-monthly) and other options described in the Guidelines, and determine they are inappropriate or unworkable.
3. If the Department determines that the Contract Advance is necessary and permitted by the funding source, then the Department must review Contractor's prior contracting history, financial viability, and responsibility to determine whether the Contractor presents an unacceptable risk of default on the obligation to repay the advance, based on the following factors:
  - a. Contractor is not currently debarred by the County or any other public agency.
  - b. Contractor is current on having their annual financial statements, and single audit (if available) audited by an independent audit firm.
  - c. Contractor's independently audited financial statements, and single audit (if available) do not disclose significant, material concerns regarding the Contractor's financial health or viability as a going concern.

- d. Contractor does not have one or more open, unresolved issues listed in the County's Contractor Alert Reporting Database (CARD).
  - e. Contractor does not have any recent (prior 36 months) significant financial issues (e.g., bankruptcy, collections, tax liens).
  - f. Contractor has not failed to timely repay any prior advances (if applicable).
  - g. Contractor is cooperative with Department's requests to provide basic financial statements, bank records, and other documentation to substantiate financial condition.
  - h. Contractor has no fiscal or management issues which the contracting Department finds present a material risk that the contractor will be unable to repay advances.
  - i. Contractor is in good standing with no Unresolved Disallowed Costs per Board Policy 5.260, etc.).
4. Prior to advancing any funds, the Department must determine if the funding source requires funds to be held in an interest-bearing account and imposes any requirements on how earned interest must be used. The Department must obtain written confirmation from the Contractor that it will comply with any such requirements.
  5. Departments must also comply with section 1.1.5 of the [County Fiscal Manual](#) issued by the Auditor-Controller and the Implementation Guidelines (Guidelines) for Contract Advances Policy issued by Internal Services Department.
  6. The Department Head, or designee, must approve/deny a Request for Contract Advance and the Department shall notify Contractor of the decision in the manner specified in the Guidelines.
  7. If a Request for Advance is approved, County shall issue to the Contractor a repayment schedule for the advance and incorporate the terms and conditions of the advance in the base contract or amendment.
  8. Departments must ensure, through monitoring and oversight activities, that Contractors comply with all applicable County, State and federal laws and regulations, including the reporting, record keeping, recoupment and reconciliation requirements specified in the Guidelines.
  9. Departments may, in the event Contractor fails to repay the advance as set forth in the repayment schedule, perform any means necessary to collect on advance.
  10. Departments may initiate CARD placement, and/or pursue debarment in the event Contractor fails to repay outstanding balance, within 12 months or by the end of the contract period, whichever is sooner.
  11. Departments must report back to the Board on progress of pilot program on a bi-annual (twice per year) basis.

**Required Contract Language must be added to the contract as per the Guidelines.**

**Exceptions**

This pilot Policy does not supersede or in any way rescind the requirements in Section 1.1.5 of the County Fiscal Manual pertaining to contract advances not covered by this pilot Policy.

**RESPONSIBLE DEPARTMENTS**

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Internal Services Department

Auditor-Controller

Chief Executive Office

County Counsel

Department of Economic Opportunity

**DATE ISSUED/SUNSET DATE**

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**Issue Date:**

**Sunset Review Date:**

**CONTRACT ADVANCES PILOT  
PROPOSED IMPLEMENTATION SCHEDULE**

Activity	Description	Date/Timeframe
Board Motion Adopted	<a href="#">Motion</a> : Directive 7b-Report back to the Board in writing with the proposed contract advance policy and the plan to implement the policy across the pilot departments, including requirements that pilot departments must fulfill.	August 9, 2022
90-day Report Back Submitted	ISD submits 90-day report back, detailing pilot program and transmitting proposed contract advance policy.	January 9, 2023
Board Approves Pilot Program	Board directs (approves) departments to proceed with the pilot program and which will be piloted with, and applicable only to, Departments contracting with community-based private nonprofit agencies for social services under DEO's SE MA.	(Estimated by) March 2023
Develop Implementation Guidelines	ISD, in collaboration with the A-C, will develop Board Policy Implementation Guidelines to provide departments with instructions on how to implement the Policy.	April 2023
Fiscal Analysis	Initiate fiscal analysis of program, including assessment by bond counsel and credit experts on impact on County's creditworthiness and borrowing capacity.	April 2023 - July 2023
Training	Training pilot department staff on Policy and associated Implementation Guidelines.	June 2023
Implementation/Launch	DEO Work Orders under the SE MA awarded on or after July 1, 2023 will be subject to Contract Advances Policy.	July 1, 2023
Monitoring	Departments conduct monthly monitoring of contractor invoices and contractor performance.	July 1, 2023 – Ongoing
Bi-Annual Progress Report Submitted	DEO submits bi-annual progress report to Board.	January 2024
2 <sup>nd</sup> Bi-Annual Progress Report Submitted	DEO submits 2 <sup>nd</sup> bi-annual progress report to Board.	July 2024

Workgroup Issues Final Recommendation	Workgroup issues report back with recommendations (including recommended revisions, if any, to proposed contract advance policy) and lessons learned from pilot program.	July 2024
Audit Committee	Finalize Policy and Guidelines and present to Audit Committee for approval.	Sept. 2024
Board Approval of Board Policy	Board approves new Board Policy (effective Countywide).	Dec. 2024
Implement Board Policy Countywide	New Board Policy is published/posted within 30 days of Board approval.	Feb. 2025
Countywide Training	ISD conducts training for departments that contract with community-based private nonprofit agencies for social services.	March 2025
Contract Monitoring	Continue monitoring compliance based on Board Policy and associated Implementation Guidelines	Ongoing