



# Equity in County Contracting

➤ Inclusive Contracting to Improve Local and Small Business Opportunities  
November 26, 2024



# Challenge

## Government Contracting is Largely Inaccessible to Small, Diverse Businesses

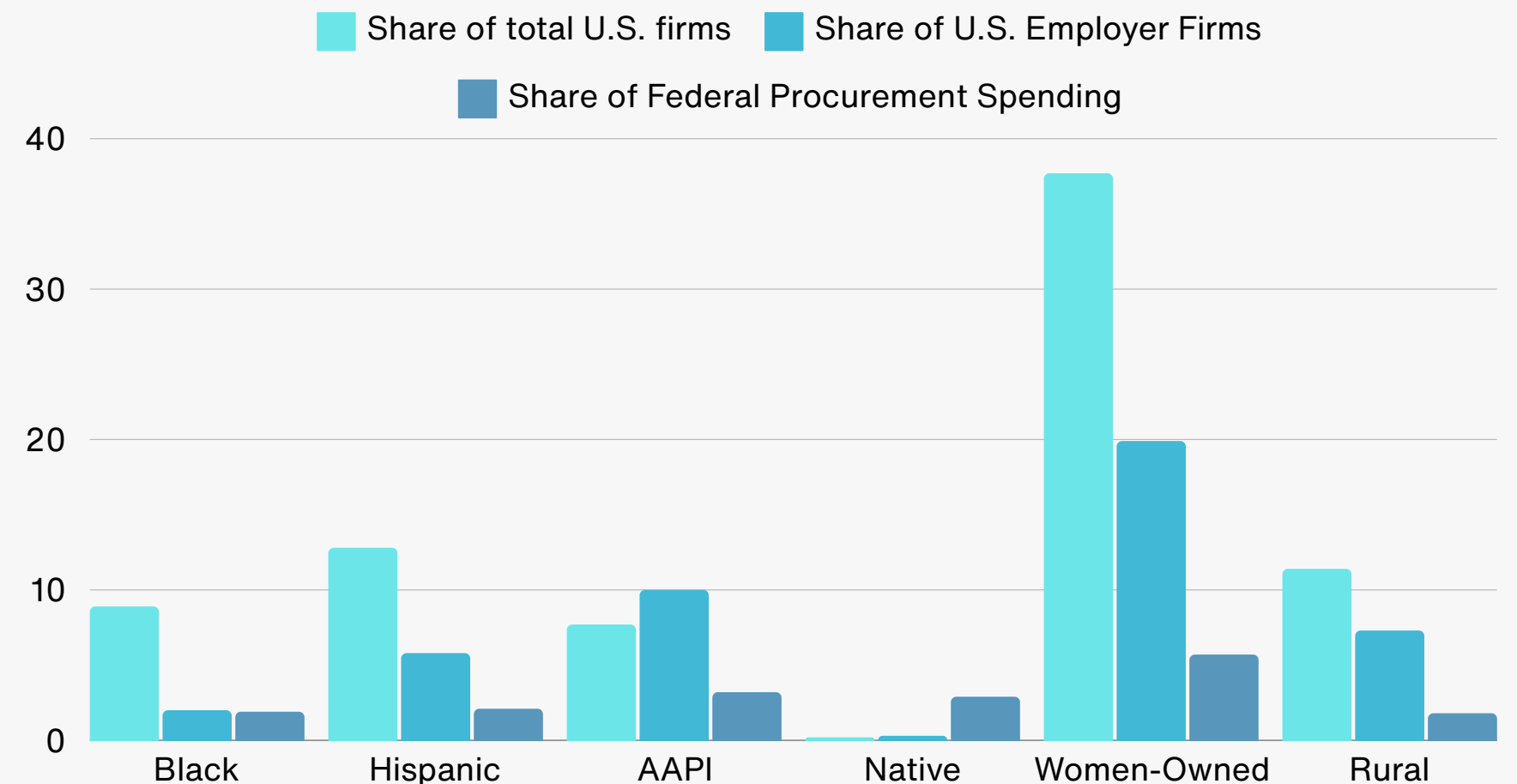
### Barriers to access include:

- » Information and education
- » Hard-to-navigate processes
- » Stringent requirements
- » Capacity to meet contract scope and size
- » Cash flow and resource limitations



In 2021, the LA County Board of Supervisors Adopted the Motion to Establish Equity in County Contracting (ECC) Initiative.

### Demographic Makeup of Overall Procurement



# Challenge

## Patterns at the Local, County Level

### Demographic Makeup of Overall Procurement

*LSBE - Local Small Business Enterprise*

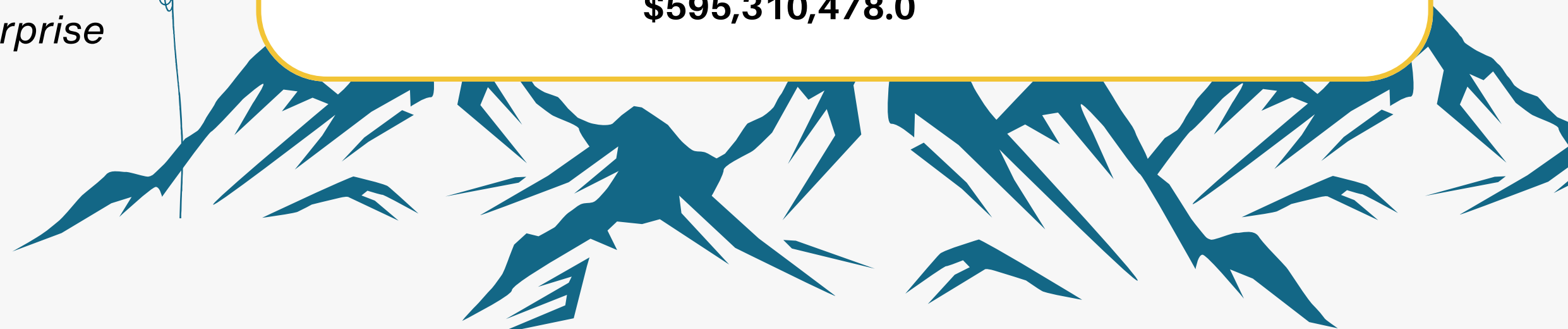
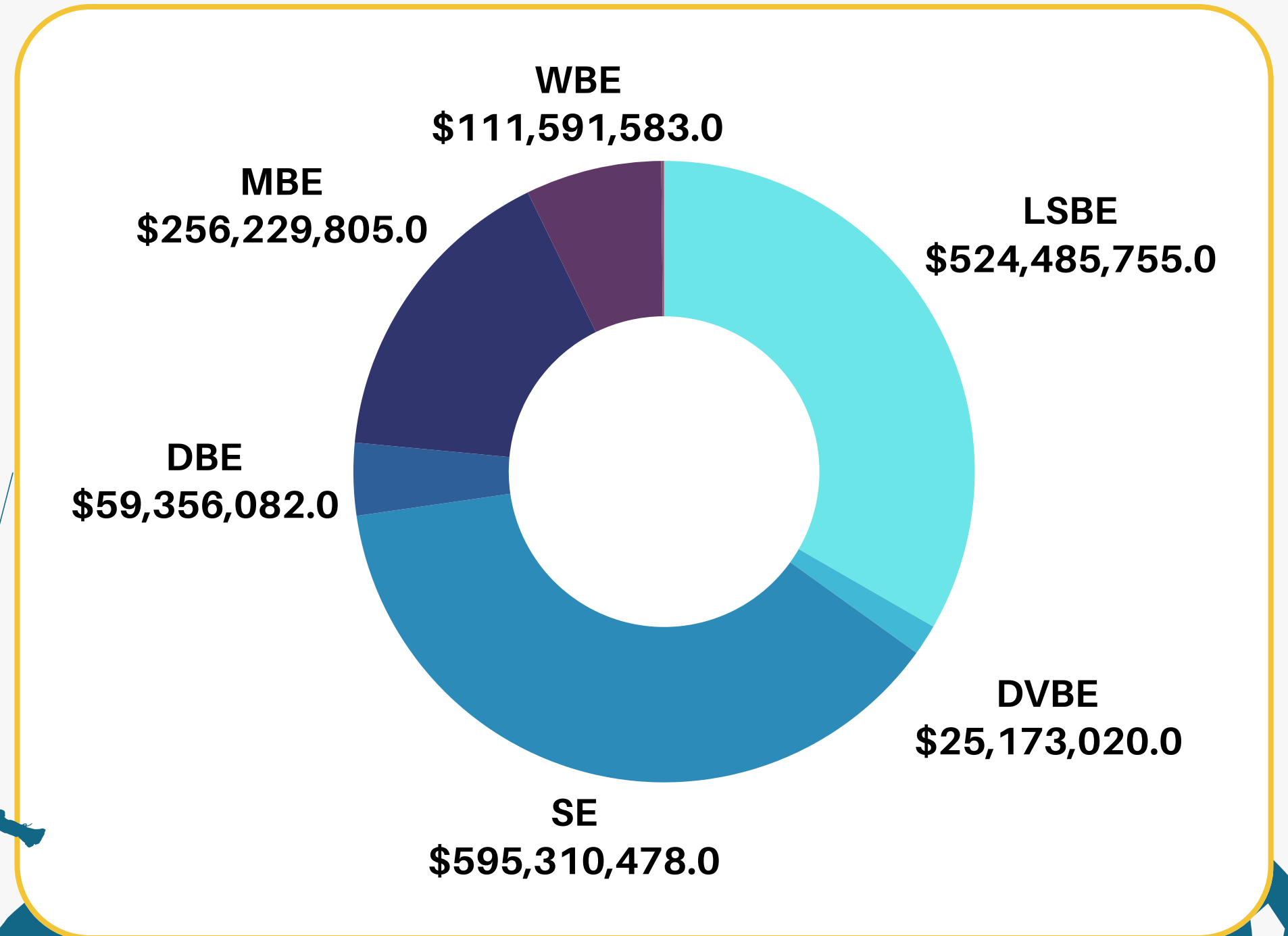
*DVBE - Disabled Veteran Business Enterprise*

*SE - Social Enterprise*

*WBE - Women Business Enterprise*

*MBE - Minority Business Enterprise*

*DBE - Disadvantaged Business Enterprise*



# Opportunity

## Economic Benefits of Procurement with Small, Diverse Business



Investing in small businesses means investing in the County's local economy and in historically disinvested owners and workers.

*The majority of small businesses are owned by communities of color and majority of returns stay local, supporting wealth generation and closing the gender and racial wealth gap.*



Additional revenue streams **promote resiliency** for small businesses.



As contracts become consistent, it **advances sustainable growth** for both businesses and workers.



More small business procurement can increase competition and **expand qualified pool of vendors**, ensuring the **best goods and services are available for the public.**

# Progress

Los Angeles County

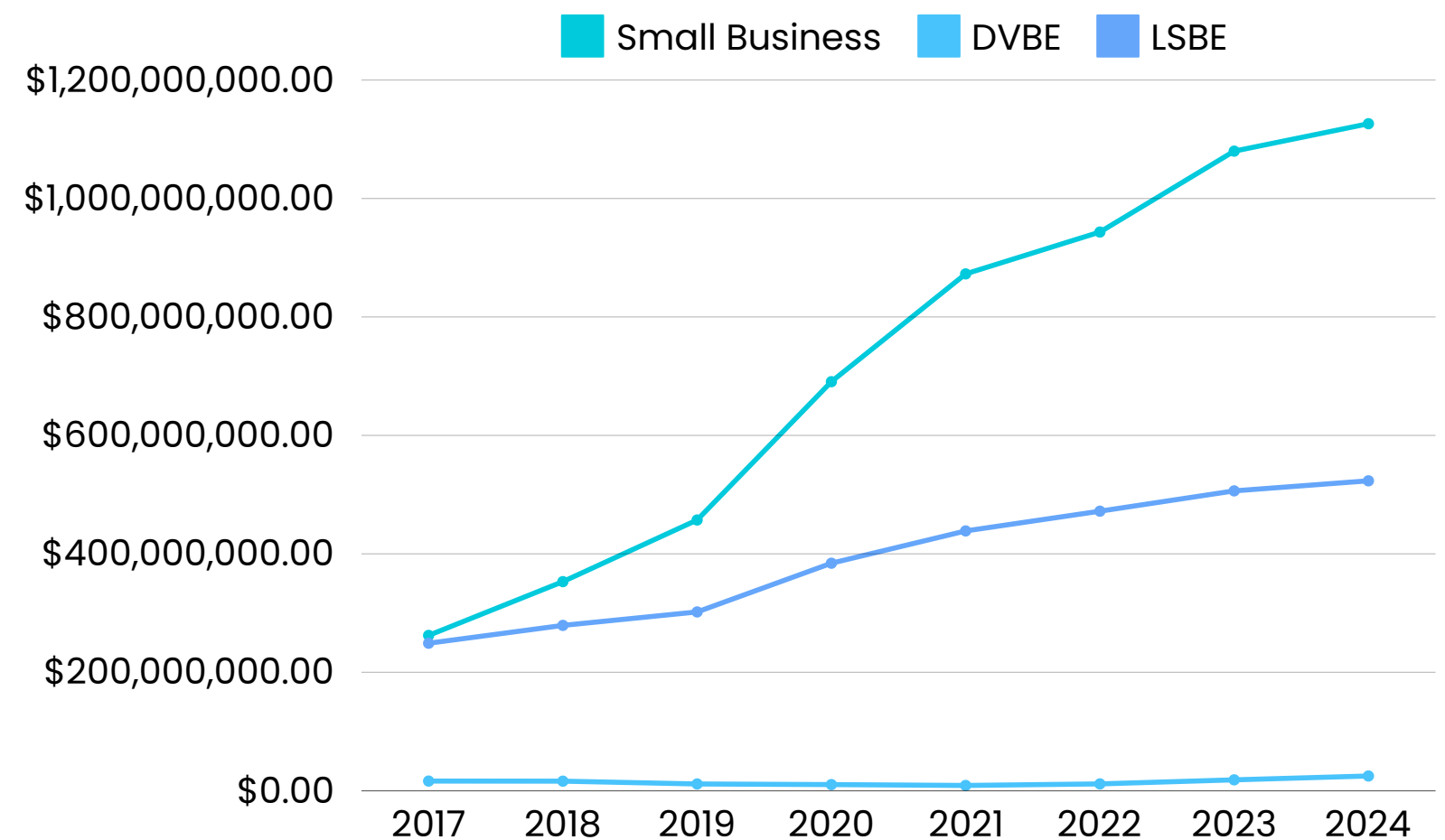
## \$1.1 BILLION

In FY 23-24, the County awarded \$1.1+ billion to certified small businesses:

**300%+ increase** Increased from about \$260 million in 2017 – an increase of more than 300%!

### Increase in Awards for Certified Businesses

\$6.9 B in 2017 to \$13.7 B in 2024 = 98% increase



**LSBE:** \$249M in 2017 to \$523M in 2024 = 110% increase  
**DVBE:** \$16.4M in 2017 to \$25M in 2024 = 52% increase  
**Small Business:** \$262 M in 2017 to \$1.13 B in 2024 = 329% increase


# Progress

## Key County Initiatives Making a Difference

### Equity in County Contracting (ECC)

Launched ECC in 2021 to help streamline, standardize, and provide governance for County contracting and make it easier for new and existing vendors to do business with the County.

**WINS**

Codified  **25%**  
Utilization goal  
for LSBE and  
**3%** for  
DVBE

- ✓ Established **15-day prompt** payment
- ✓ Published **best practices** for unbundling contracts
- ✓ Piloted a **cash advance program**
- ✓ Invested in targeted outreach
- ✓ **Streamlined certification** application
- ✓ Training for departments and vendors
- ✓ ECC **Listening Tour** with CBOs in each district

# Progress

## Key County Initiatives Making a Difference

### Los Angeles County Contractor Development and Bonding Program

*Merriwether & Williams*

[imwis.com/countyofla](http://imwis.com/countyofla)

- ✓ Personalized business assessments
- ✓ Workshops and training
- ✓ Bonding assistance
- ✓ Accounting support

**210**  
Clients Served

### Los Angeles County APEX Accelerator Program

*DEO Office of Small Business*

[bit.ly/APEXAppointment](http://bit.ly/APEXAppointment)

- ✓ Procurement guidance
- ✓ Resources, workshops, and counseling
- ✓ One-on-one assistance
- ✓ Matchmaking services
- ✓ Certification assistance

**17k**  
Jobs Created

**\$348M**  
in 1308 Awards

### Economic Mobility Initiative (EMI) Procurement Accelerator

*LA Chamber ONE LA Program*

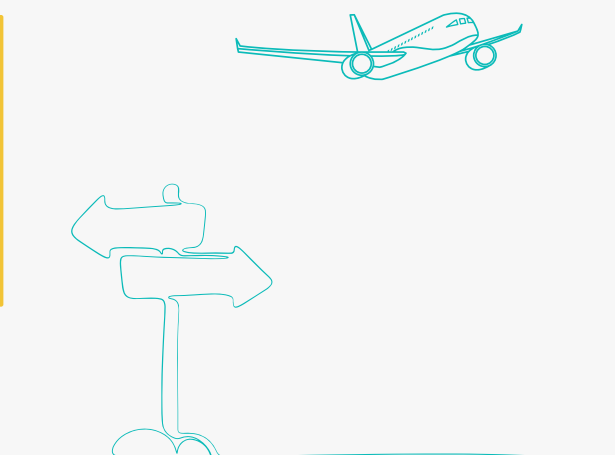
[lacountyemi.com](http://lacountyemi.com)

- ✓ In-depth government contract training.

Cohort includes “Bootcamp” courses for businesses new to government contracting and “intensive” courses for those with more experience.

**10k**  
Served via EMI

**100**  
Served via OneLA



# On Deck

## LA County Initiatives

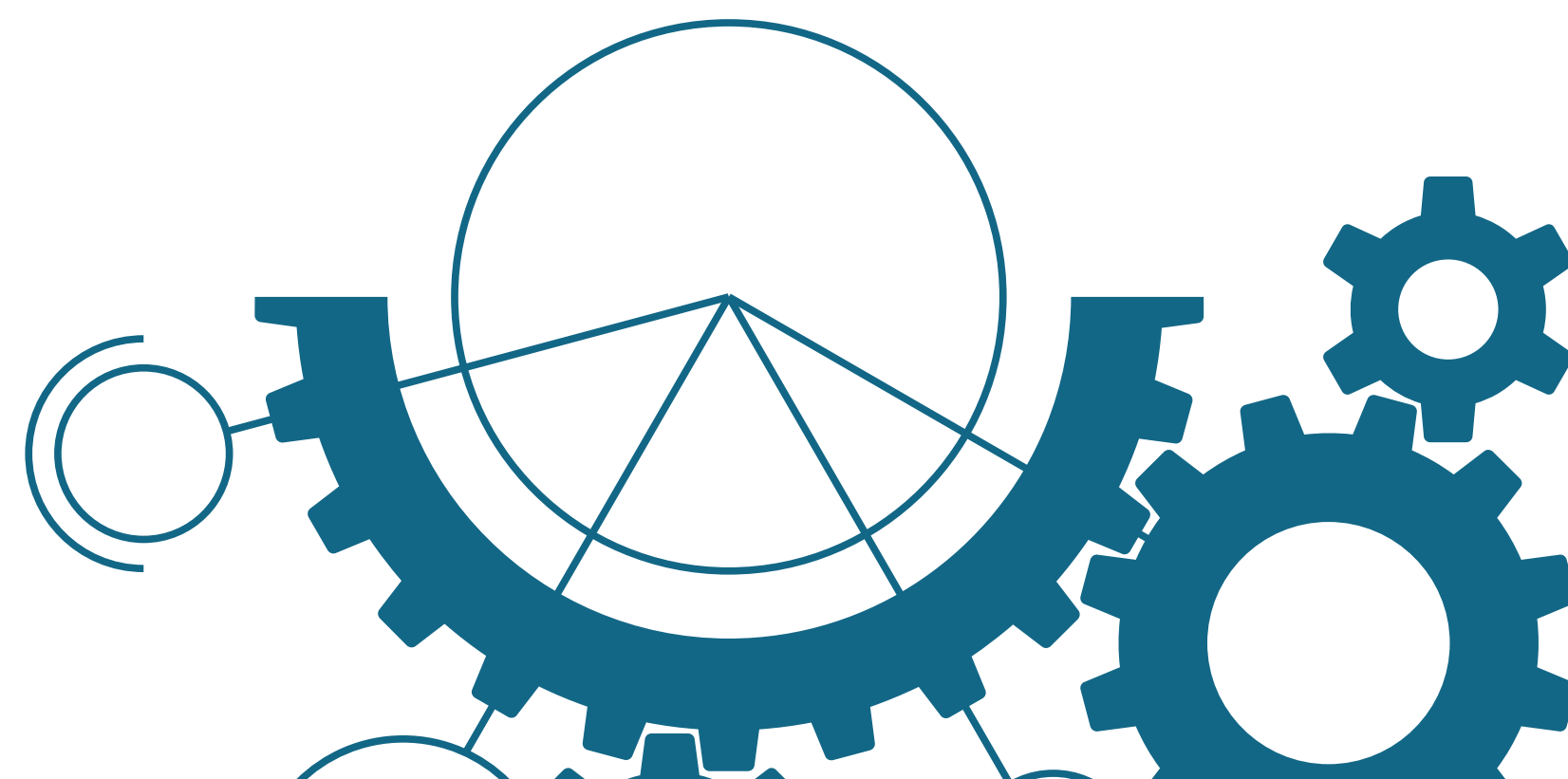
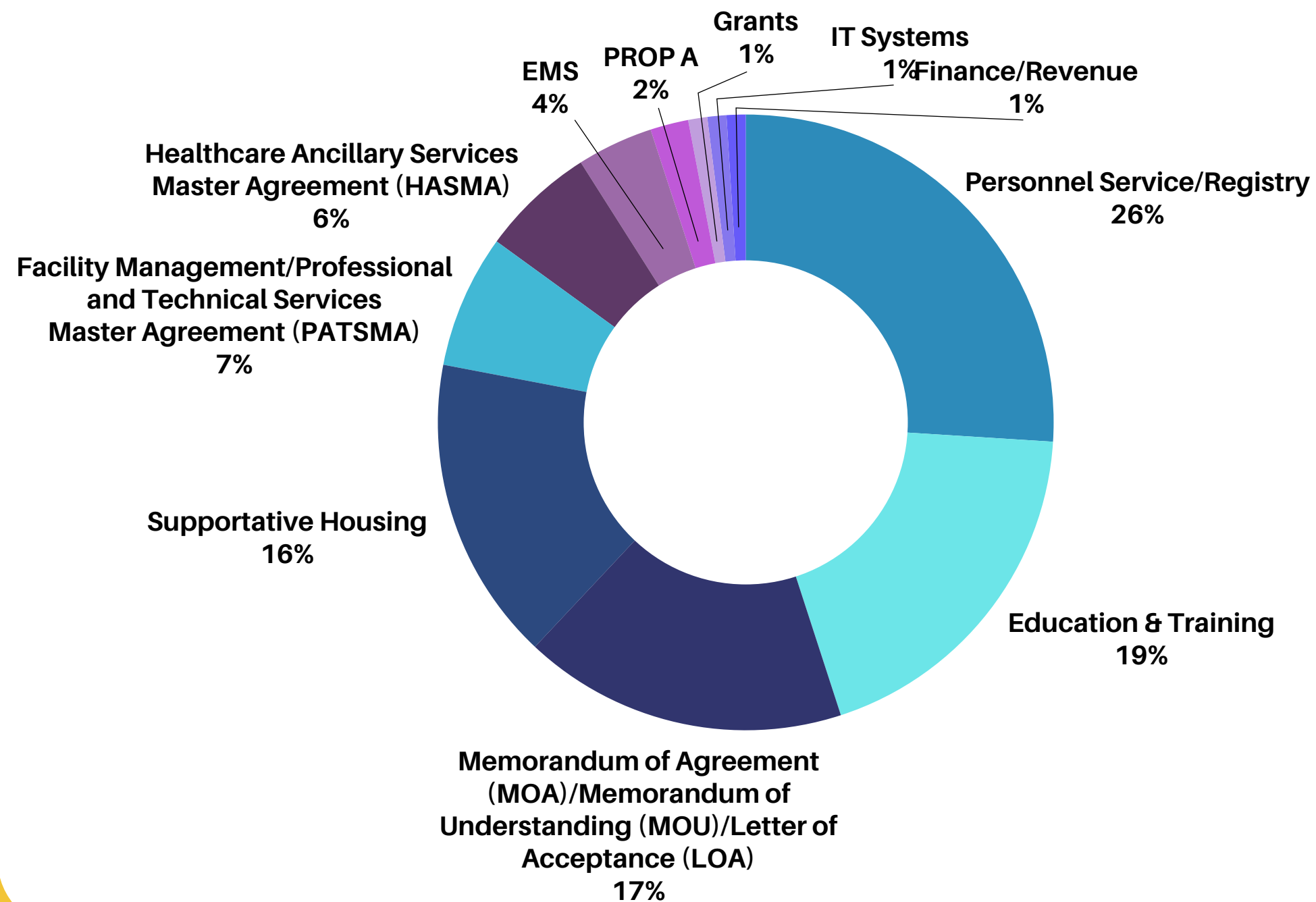
- Public reporting on key County-funded projects and departmental utilization against goals
- A \$2 million Revolving Loan Fund
- A new Office of Countywide Contracting at Internal Services Department (ISD)
- A new E-Procurement system that streamlines County contracting with ISD
- Partnership with LA28/LA City and InfrastructureLA to prioritize and track local hiring and supplier diversity
- Small business advocates and a business portal for partners large and small to better navigate LA County, from getting certified, to awards, to permitting and delivery
- Streamline policies, processes, and practices



# DHS Has Over 1600 Contracts Covering Broad Range Of Services

➤ Services to support patient care, medical education, supportive housing, medical records, financial systems, and other service needs for the health system.

## NUMBER OF CONTRACTS



# ARDI Recommendations on Equitable Contracting

- ✓ **Unbundle contracts** using best practices to provide more opportunities for small to midsize organizations to compete for funding.
- ✓ Explore additional opportunities to provide **technical assistance and consultation** to vendors on contracting; leverage resources provided by the Economic Recovery Initiative, previously implemented by the Center for Nonprofit Management.
  - Use suggested language when referencing proposed technical assistance and consultation services to mitigate concerns about conflicts of interest.
- ✓ Continue **outreach and engagement** to notify organizations of upcoming and/or current contract solicitation opportunities, as well as preference programs.



# Unbundling Contracts - Best Practices

As contract expiration dates approach, DHS will assess feasibility of unbundling using County best practices.



## COMPLETED

- ✓ Housekeeping - RFP released with opportunity for up to 6 contracts
- ✓ Unarmed Security - RFP released with opportunity for up to 4 contracts
- ✓ Laundry Services – RFP released with opportunity for up to 4 contracts



## COMING SOON

- ✓ Landscaping – RFP in development, anticipating opportunity for up to 6-8 contracts
- ✓ Billing Collection Services - RFP in development, anticipating opportunity for up to 4 contracts

# Technical Assistance & Consultation



## COMPLETED

- Launched a technical assistance inbox to help vendors with contracting processes, including Vendor Registration (WebVen), DEO's Preference Program certification, and other resources.
- Help vendors on the spot at networking events to address challenges.
- Housing for Health supports small organizations on contracting pathway to get on Supportive and/or Housing Services Master Agreements.

## Coming Soon

- Develop technical assistance resources, including proposal writing trainings to help vendors refine their proposals - Spring 2025.
- Develop a model for contracting with small/new community-based organizations in partnership with more mature capacity-building organizations that will support them on a path to independence - Summer 2025.

# Outreach & Engagement



## COMPLETED

- All contracts solicitations are posted on the *Doing Business With Los Angeles County* website
  - Work orders under Master Agreements may only be marketed to eligible contractors.
- Ongoing attendance to outreach events in the community to promote available contracting opportunities and build a diverse applicant pool.

## Coming Soon

- DHS-hosted community events to recruit and attract new and diverse vendors - Summer 2025.
- Targeted engagement materials and educational resources to promote preference program certification, provide registration tips, and guide vendors through the LA County contracting process - December 2024.

# Reducing Sole Source Contracts

**DHS is in the process of soliciting contracts converted to sole source by extension as part of our recovery from the COVID-19 pandemic**



## Opportunities to Reduce Sole Source Limited by

- Unique circumstances:
  - Trauma Hospitals
  - Martin Luther King, Jr. Community Hospital
  - Affiliations with Medical Schools – historic, local relationships
  - Foundation/Support Groups – entities fundraise, support County facilities
- Operational needs:
  - Information Technology Systems – highly customized systems with limited opportunities for replacement; administratively burdensome and costly to replace
  - Original Equipment Manufacturers – maintenance and repair contracts
  - Billing and Collection Services – legacy services that support DHS' financial revenue operations

# EDIA

## A Pathway Towards Equity, Diversity, Inclusion & Antiracism



### COMPLETED

- Comprehensive Contract Inventory
- Established Standard Diversity Statement
- EDIA Staff Hired
  - Contracts and Grants
  - Supply Chain

*“The Department of Health Services (“DHS”) of the County of Los Angeles (“County”) is an integrated health system that provides health care throughout Los Angeles County (“LA County”) communities at four acute care hospitals, 26 health centers, County jails and juvenile systems. DHS is the second-largest municipal health system in the nation serving the largest and vastly diverse county. Recognizing the importance of diversity and inclusion in our business practices, DHS is committed to fostering partnerships that reflect our dedication to equity and opportunity. We, therefore, invite and encourage all qualified vendors, including those from minority-owned, women-owned, veteran-owned, and small business enterprises, to respond to this solicitation for an opportunity to bring their unique perspectives and capabilities to the services solicited hereunder. Together, we can build a stronger, more inclusive future for the communities we serve.”*