

Mayor's Executive Directive for the Business Inclusion Program

OVERVIEW: With more small businesses than any other city, Los Angeles is home to the most diverse, creative and innovative small businesses in the world. To ensure the vitality and sustainability of the small business community, the Mayor is signed an Executive Directive creating the Business Inclusion Program.

The Program gives specific direction and provides goals to City Departments on how to tap into this resource by increasing the number of Los Angeles small businesses that participate in City contracts.

Using the Los Angeles Business Assistance Virtual Network (BAVN), the City's electronic marketplace, as a platform, the program focuses on three components: **access**, **outreach**, and **accountability** as a means to increase opportunities for small businesses.

Access to City Contracts:

- WHAT – Ensure all businesses have an equal opportunity to learn about and participate in City contracting opportunities.
- HOW – Require all City departments to post all contracting opportunities that are subject to advertising on BAVN.
- IMPACT – Create a central posting place that automatically notifies vendors, ensuring small businesses have an equal chance at learning about City contracting opportunities.

Promote Outreach:

- WHAT – Increase small business access to contracts by eliminating the Good Faith Efforts test and replacing it with the Business Inclusion Outreach test.
- HOW – Under the Business Inclusion Outreach test, businesses will be required to use BAVN to outreach to and negotiate with potential subcontractors, including minority and women owned businesses.
- IMPACT – This paperless approach reduces the cost and time burden on prime contractors, while providing them access to a growing pool of small businesses to work with.

Ensure Accountability:

- WHAT – Annual contracting goals will be set for Small Business Enterprises (approx. less than \$7MM average revenue for past three years) and Disabled Veteran Business Enterprises. Specific goals will also be carved out for Emerging Business Enterprises (approx. less than \$3.5MM average revenue for past three years), which is a subset of Small Business Enterprises.

Note: The City is currently evaluating the criteria for Small and Emerging businesses. They are subject to change based on increased registrations and new data.

- HOW – City Department Heads will be held accountable for achieving those goals and required to provide quarterly progress reports that will be made available on the www.losangelesworks.org website. Department Heads will be given wide flexibility in determining the right tools to achieve their annual goals.
- IMPACT – The City will be able to hold one person accountable, monitor progress and increase transparency.