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City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 88680 C.M.S.

INTRODUCED BY COUNCILMEMBER LOREN TAYLOR

RESOLUTION DIRECTING THE CITY ADMINISTRATOR TO 1) CONDUCT TWO OR MORE FOCUS GROUPS PER YEAR AND AN ANNUAL SURVEY OF LOCAL BUSINESSES REGARDING POSSIBLE LOCAL AND SMALL LOCAL BUSINESS ENTERPRISE (L/SLBE) PROGRAM ENHANCEMENTS AND 2) ANNUALLY PRESENT ITS FINDINGS, POLICY RECOMMENDATIONS, AND A PROGRAM IMPROVEMENT ACTION PLAN TO THE CITY COUNCIL'S COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

WHEREAS, a lack of economic opportunities for a significant number of Oaklanders is an underlying cause of most of the many complex challenges we face in Oakland, including gun violence, high health disparities, homelessness, and neighborhood blight; and

WHEREAS, national data confirms that small businesses are the greatest source of employment for residents, particularly in urban areas like Oakland and the Oakland City Council recognizes that it has an important role to play in increasing economic opportunities for Oaklanders through its contracting and procurement processes; and

WHEREAS, on December 18, 2001, the City Council adopted Ordinance No. 12389 C.M.S., which authorized Oakland's Local and Small Business Enterprise (L/SLBE) Program with a stated purpose of stimulating economic development in the City of Oakland with a particular emphasis on providing economic opportunity for Oakland residents and businesses that have been especially economically disadvantaged; and

WHEREAS, despite numerous regular informal complaints and suggestions for improvement, subsequent substantive program enhancements have only come approximately every ten years, first with Ordinance No. 12389 C.M.S., enacted on December 20, 2011, and most recently with Ordinance No. 13649 C.M.S enacted on February 16, 2021; and

WHEREAS, on December 20, 2011, the City Council adopted Ordinance No. 13101 C.M.S. amending Ordinance No. 12389 C.M.S., to, among other things, change business size standards and establish new LBE categories, increase local and small business participation requirements, establish new preference program requirements for Very Small Business Enterprises (VSBE), local businesses that produced goods (LBE-LPG), and increase penalties for noncompliance; and

WHEREAS, on February 16, 2021, the City Council adopted Ordinance 13640 amending Ordinance No. 13101 C.M.S., which revised Oakland's Local and Small Local Business Enterprise (L/SLBE) Program provisions, to change local and small local trucking participation requirements, add new local business categories and certification criteria, change the definition of "substantial presence," define "local-based manufacturer, add and change bid discounts, limit modifications to L/SLBE schedules after bid opening, and provisions related to disposition and development agreements and cooperative agreements, and update the list of applicable schedule; and

WHEREAS, a continuous program improvement system, which is defined as a set of practices designed to bring gradual, ongoing improvement to products, services, or processes through constant review, measurement, and action was never implemented for the L/SLBE program; and

WHEREAS, many studies show that having a continuous program improvement system, is a critical success factor for multi-year transformational initiatives like the City of Oakland's L/SLBE program; and

WHEREAS, the 2017 Race and Gender Disparities Study found that Black-owned and Women-owned local Oakland businesses continue to face significant disparities that have continued to persist since the creation of the L/SLBE program in 2001 and the report identified as one of its recommendations the establishment of a Business Advisory Council to ensure a regular program improvement feedback loop informed by a diverse range of stakeholders from the local business community; and

WHEREAS, overwhelming evidence continues to show significant barriers that limit our local small businesses from accessing contracts and procurement opportunities with the City, despite the existence of Oakland's Local and Small Local Business Enterprise Program. By focusing on specific barriers that continue to prevent local and small local businesses from accessing contracting and supplier opportunities, we will increase local job opportunities, help stabilize local businesses, and improve racial equity with respect to financial and economic outcomes in the City of Oakland; and

WHEREAS, the Council finds that the L/SLBE program should include continuous program improvement mechanisms to ensure improved effectiveness and improved outcomes when it comes to race and gender disparities as well as overall Oakland economic development; and

WHEREAS, in Oakland, our local and small local businesses have a higher percentage of underrepresented minorities as business owners and employees, therefore supporting local businesses also increases equitable outcomes for our underserved Black and Indigenous People of Color (BIPOC) communities; and

WHEREAS, the City Council recognizes the need to monitor L/SLBE compliance and other important equity data for all of its spend categories, including within subcontracting opportunities made possible through development agreements, and the importance of automating certain aspects of compliance monitoring through improved processes and tools; and

WHEREAS, the 2017 Race and Gender Disparity Report was received by the City Council and the author of the Disparity Report, Mason Tillman and Associates recommended that a group of stakeholders review and provide regular feedback to inform potential improvements to the City's local and small business contracting programs; and

WHEREAS, community engagement with the most impacted individuals and groups is a critical component and essential to the Council's effort to address contracting disparities in the City of Oakland. Moreover, regular engagement with L/SLBE program participants, key community stakeholders including BIPOC businessowners, and members of the labor community, and members of the public can play a meaningful role in the deliberations, discussions, decision-making and/or implementation the L/SLBE program and will more lead to more effective solutions to eliminating disparities; and

WHEREAS, directing the City Administrator to conduct a minimum of two or more focus groups per year and an annual survey of local businesses will provide the necessary feedback regarding future improvements needed to the L/SLBE program allowing the focus groups and survey participants to have an opportunity to provide regular feedback without the restraints and significant staff resources required by the adoption of a formal City board and/or commission; and

WHEREAS, directing the City Administrator to annually report back on its findings, recommendations and a program improvement action plan to the Community & Economic Development Committee will provide the necessary information and data to evaluate the City's efforts to eliminate contracting disparities and improve the competitiveness of local and small businesses; and now, therefore, be it

RESOLVED: That the Oakland City Council directs the City Administrator to 1) conduct two or more focus groups per year and an annual survey of local businesses regarding possible L/SLBE program enhancements and 2) annually present its findings, policy recommendations, and a program improvement action plan to the City Council's Community & Economic Development Committee.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

JUN 01 2021

AYES - ~~10~~ GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - File - 1

ATTEST



ASHA REED

City Clerk and Clerk of the Council of the
City of Oakland, California