

May 5, 2023

To:

Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Lindsey P. Horvath
Supervisor Janice Hahn
Supervisor Kathryn Barger
Kenneth Hahn Hall of Administration
500 W. Temple St., Room 866
Los Angeles, CA 90012

Re: Budget request from ISD for the centralized contracting and procurement office

Dear Honorable Board of Supervisors:

We, The LA County Economic Resiliency Task Force Nonprofit & Philanthropy Workgroup (the Taskforce), write to express our strong support for the budget request to fund the centralized contracting and procurement office. The five priorities for this office, as outlined in your August 9, 2022 motion, are extremely important to advancing equity in contracting between LA County and nonprofit community based organizations (CBOs), and by fully funding the budget request, the board will ensure the office has the resources necessary to advance the five priorities:

- i. Institutionalize the work of the Equity in County Contracting (ECC) Action Teams and Workgroups;
- ii. Lead the work of continuous, equitable and efficient improvements to the County's contracting and procurement processes, in consultation with the Executive Director of the Antiracism, Diversity and Inclusion Initiative;
- iii. Establish training schedules and provide training to County departmental contract and procurement managers and staff;
- iv. Develop recommendations to address the barriers to equitable reimbursement and compensation of contractors, including issues related to inadequate indirect cost rates and prohibitive insurance costs for contractors;
- v. In partnership with DEO, meet on a regular, scheduled basis with CBOs and nonprofit stakeholders to identify, address, and streamline issues within the County contracting and procurement system.

Creating and fully funding the centralized contracting and procurement office will institutionalize and continue the work our Taskforce has done in partnership with County staff over the past three years. We have made exciting progress together, examples of which include improving technical assistance, streamlining invoicing processes, increasing certain payment rates to better match real-world conditions, making funding opportunities easier to find on County websites, and including CBOs in County preference programs. The changes we have been able to make together have been highly dependent on the individuals within the County who chose to engage with us. We are thankful to all the County staff who engaged with us, and wish to celebrate the stand-out individuals who have done truly excellent work alongside our taskforce and who demonstrated their commitment to the County's Equity in County Contracting goals: Christie Carr, Michael Owh, and

Lawrence Gann from ISD; Jason Tajima, Joe Nichitta, and Julia Orozco from CEO's office; Jessica Mireles from DEO; Kenyatta Ortega from DPSS; and Emy Tzimoulis and Kathy Hanks, formerly from CEO's office. The progress we have made over the last three years was only possible because of their partnership.

Yet most of the improvements we made under ECC have been limited in their reach: change within individual programs or departments that do not solve equivalent challenges across the rest of the system. Nor have any written policy changes resulted from our efforts, meaning our joint wins could be easily reversed with turn-over in department staff. We cannot achieve systemic change by depending on the availability and motivation of individual County staff. Change must be institutionalized. The centralized contracting and procurement office, having the explicit mandate to advance the Board's five priorities listed above, should be well positioned to improve the pace, reach, and permanence of contracting improvements, regardless of the individuals working in each department.

We are hopeful that with the establishment of a central contracting and procurement office, unreasonable barriers will be removed and efficiencies gained so that community-based organizations (CBOs) can be fairly treated and compensated for the services they provide to the County. The current process of advocating department by department, program by program for contract reform is not a good use of CBO staff or County staff time, and may never result in the transformational change the Board envisioned from the Equity in County Contracting Initiative. Further, the dynamic between contractor and contractee represents a power imbalance. When contracting departments are unresponsive to concerns expressed by the CBOs they contract with, the CBOs need a third party like the centralized contracting and procurement office to go to that can work internally with the department to garner a response for the CBO and help resolve issues that arise.

As the central contracting and procurement office begins its work, we believe that the partnership role of CBOs needs to be clarified and formalized. Simply convening CBOs will not create the conditions for continued changes and improvements. In the coming weeks and months, we are eager to work alongside the County to inform and shape a role for CBOs that is beneficial to all and "identifies, addresses, and streamlines issues within the County contracting and procurement system."

We look forward to working closely with the new centralized contracting and procurement office to continue improving the County's efficiency and effectiveness in contracting with nonprofit service providers - and toward achieving our collective equity goals for provision of services. As the office is established, we hope the Board will ensure the new office has the authority needed to implement common standards for training across County departments, so that LA County is speaking with one voice as it continues to work towards addressing the needs of our most vulnerable citizens.

Sincerely,

LA County Economic Resiliency Task Force, Nonprofit & Philanthropy Workgroup Signatories

Efrain Escobedo, President & CEO
Center for Nonprofit Management

Alberto Campos, Associate Director,
SELA Collaborative

Benjamin Torres, President & CEO
CDTech

Elizabeth Berger, Development Director
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Jan Masaoka, CEO
California Association of Nonprofits
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Janet Marinaccio, President & CEO
MEND-Meet Each Need with Dignity

Jennifer Talansky, Vice President of
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Jodi Kurata, Chief Executive Officer
Association of Community Human Service
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Martine Singer, President & CEO
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Ronald Brown, Ph.D, President & CEO
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Shaun Randolph, Program Officer,
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