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GREUEL CALLS FOR MORE TRANSITIONAL JOBS FOR THE HOMELESS

Proposal will create more jobs by extending contracting preferences given to for-profit small-local businesses to non-profits

CITY HALL – In an effort to create more transitional jobs for the homeless, Councilmember Wendy Greuel today called upon the City of Los Angeles to extend contracting preferences given to for-profit small-local businesses to non-profit groups helping people move away from chronic homelessness and into employment and economic self-sufficiency. (Complete Motion Attached)

“This proposal is a win-win,” said Greuel. “It creates more opportunities for homeless individuals and families to become economically self-sufficient and it gives the City a low-cost and financially responsible way to help our most vulnerable populations.”

“This City Council motion represents forward thinking and leadership by Councilmember Greuel and demonstrates commitment to finding new ways to alleviate homelessness and poverty in Los Angeles,” said Adlai Wertman, CEO & President of Chrysalis. “By creating new partnerships and expanding the way it does business, the City will provide thousands of homeless and disadvantaged men and women with the opportunity to obtain transitional jobs – the critical first step to changing their lives, ending their homelessness and joining the workforce.”

Currently, most transitional jobs for the hardest-to-employ population are provided by non-profit businesses that are at a competitive disadvantage when bidding for city contracts because of their relatively high overhead costs. Non-profits often have to pay for more supervision, counseling, and training of a homeless workforce.

The City currently provides contracting preferences for small-local businesses in Los Angeles County. Any supplier or contractor who qualifies as a small-local business is granted a preference for all contracts of \$100,000 or less. By extending these preferences to non-profit businesses working with the hardest-to-employ populations, the City could expand the number of transitional job opportunities.

Given that the City has limited financial resources available for social and workforce development services, this is a low cost and financially feasible way for the City to address the significant of helping people move away from chronic homelessness and into employment and economic self-sufficiency.

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MOTION

Over 84,000 people are homeless each night in Los Angeles County. Many of these people have been out of the workforce for an extended period and face considerable barriers when trying to re-enter the mainstream workforce. For the majority of this hardest-to-employ population, these barriers can be overcome by placement in a “transitional job” through which they can develop the job and social skills necessary to compete and succeed in the mainstream work environment. Unfortunately, the demand for these first transitional job opportunities exceeds the supply.

Currently, most transitional jobs for the hardest-to-employ population are provided by non-profit businesses through contracts with the private sector. Like the private sector these non-profit businesses often bid for City contracts however, they often lose to their for-profit competitors because of their lower overhead costs in the private sector. Because the non-profits have to pay for higher supervision, counseling, and training of a homeless workforce, they are at a competitive disadvantage and obtain few City contracts. Consequently, the demand for transitional jobs for the hardest-to-employ is not met.

The City currently provides contracting “preferences” for “Small, Local Businesses” in Los Angeles County. Any supplier or contractor who qualifies as a “Small, Local Business” is granted a preference for all contracts of \$100,000 or less. If, after a deduction of the 10% preference from the bid of the Small, Local Business, the bid is equal to or less than the lowest bid or proposal, the bid of that Small, Local Business is deemed to be the lowest and the Small, Local Business is awarded the contract.

Extending the “preferences” for “Small, Local Businesses” to non-profits working with the hardest-to-employ populations could allow the City to expand the number of transitional job opportunities. Given that the City has limited financial resources available for social and workforce development services, this is a low cost and financially feasible way for the City to address the significant of helping people move away from chronic homelessness and into employment and economic self-sufficiency.

I THEREFORE MOVE that the CAO and City Attorney report back on the feasibility of extending the City’s contracting preference for “Small Local Businesses” to qualifying non-profits, regardless of the size of their gross receipts, employing the long-term unemployed or providing trainee positions intended to prepare employees for permanent positions

PRESENTED BY: _____

Wendy Greuel
Councilmember, 2nd District

SECONDED BY: _____