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April 19, 2018

The Honorable Wendy Carrillo
Assemblymember, 51st District
California State Assembly Room 2160
Sacramento, CA 95814

RE: AB 2762 (Carrillo), As Amended March 22, 2018 – SUPPORT

Dear Assemblymember Carrillo:

On behalf of California Contract Cities Association, we are writing to express our support for Assembly Bill (AB) 2762, a bill that would promote greater inclusion and opportunity for Disabled Veteran Business Enterprises (DVBES), Local Small Business Enterprises (LSBEs) and Social Enterprises (SEs) in local agency contracting activities. AB 2762 would update state law to include contracting preference for DVBES and SEs by increasing the percent preference in bidding from 5 percent up to 15 percent for public works contracts. California Contract Cities Association represents 76 cities with over 7.5 million residents, where contracting is a key part of our member cities' governmental function.

In 2016, the County of Los Angeles adopted the Small Business, Disabled Veteran-Owned Business and Social Enterprise Utilization Plan to support businesses that distinguish themselves by promoting a positive social, public health, and environmental impact. The County of Los Angeles has worked to recognize and reward these efforts by adopting an ordinance to allow contract preferences for qualified LSBEs, DVBES, and SEs of up to 15 percent, unless precluded by state or federal law. The County of Los Angeles Preference Program is also designed to enhance participation of DVBES, LSBEs and SEs in county purchasing and contracting opportunities.

For these local businesses, increased contracting opportunities with local agencies, can enhance their ability to build their workforce, including employing those who face barriers to employment, as well as stimulate local economic growth. Under existing law, Public Contract Code Section 2002, limits contract preference allowance to small businesses only, and for an amount of up to 5 percent for construction contracts. State law must be updated to allow preferences for DVBES and SEs and to increase the percentage preference for more substantive support of DVBES, LSBEs and Social Enterprises. These are worthy businesses that support greater social benefits.

AB 2762 expands contract preferences for Disabled Veteran Business Enterprises and Social Enterprises. This bill also increases the percentage preference from 5 percent to 15 percent bid preference on low-bid construction contracts. By increasing contracting

opportunities for these business enterprises, AB 2762 will stimulate economic growth and expand employment prospects, particularly for hard-to-employ individuals.

For all these reasons and more, Contract Cities is proud to support AB 2762 (Carrillo).

Sincerely,



Michael T. Davitt
CCCA President
Mayor, La Cañada Flintridge



Lindsey Horvath
CCCA Legislative Committee Chair
Councilmember, West Hollywood

CC: Chair and Members, Assembly Jobs, Economic Development, and the Economy Committee
League of California Cities
Los Angeles County Board of Supervisors