

# SUMMARY OF CHANGES TO THE CITY OF OAKLAND'S LOCAL AND SMALL LOCAL BUSINESS ENTERPRISE PROGRAM

Changes to the Program are enumerated as follows (strike through indicates language deleted and boldface type indicates language added). These proposed modifications are recommended to further clarify and/or correct language in the L/SLBE Program for the sake of consistency.

Page 5, #5 – changes application of a bid discount of 5 percent to 10 percent (for construction) and changes the award of preference points from 5 percent to 10 percent (for professional services) for Very Small Local Business Enterprises (VSLBE) prime contractor where the VSLBE meets a 50 percent subcontractor goal. This change reflects the City's policy to double the award for VSLBE participation

Page 6, paragraph 5– strikes the language “*The City has waived small local business enterprise (SLBE) subcontracting requirement to Oakland certified local businesses that apply for professional services contracts as the prime contractor with the City. The SLBE requirement still applies for non-certified LBE and non-local business enterprises*” This language no longer applies.

Page 7, paragraph 2 – adds “*with minimum participation*” to the sentence “If the proposal **with minimum participation** is selected, the proposer shall be able to adjust up in order to meet the 50% requirement.” Language added for greater clarity.

Page 14, paragraph 1 – Bid discounts are earned based on the level of participation proposed prior to the award of a contract. A two percent (2%) bid discount is earned for achieving the 50% participation requirement. ~~Over and above the~~ **If the proposed L/SLBE participation exceeds the minimum participation requirement, bid discounts are will be applied** at a rate of one percent (1%) for every 10% of contract dollars attributable to certified firms. **If the proposed VSLBE participation exceeds the minimum participation requirement, bid discounts will be applied**

**at a rate of two percent (2%) for every 10% of contract dollars attributable to certified firms.** No more than a five percent (5%) bid discount can be earned **for L/SLBE participation and no more than a ten percent (10%) bid discount can be achieved for VLSBE participation.** ~~except by VSLBEs, for which no more than ten percent (10%) preference points may be earned.~~ Tables I and II below show the distribution of bid discounts: This language was changed to better clarify the award of bid discounts.

Table I adds “L/SLBE” to the title of the table

Table II – adds “Prime Contractor” to the title of the table

Page 14, paragraph 2 – Local and non-local businesses may earn up to a maximum of five (5) preference points for local business participation. Businesses earn 2 points for achieving the L/SLBE minimum 50% **participation requirement and 4 points for achieving the VSLBE minimum 50% participation requirement.** ~~Over and above the 50%, requirement~~ **If L/SLBE participation exceeds** preference points are applied at a rate of one (1) point for

every 10% incremental increase in contract dollars attributable to certified firms. **If VSLBE participation exceeds 50%, preference points are applied at a rate of two (2) points for every 5% incremental increase in contract dollars attributable to certified firms.** No more than five (5) preference points may be earned for L/SLBE participation and no more than **10 preference points may be earned for VLSBE participation.** ~~except by VSLBEs for which no more than ten percent (10%) preference points may be earned.~~ **Tables III, IV and V below show the distribution of preference points.**

Page 15 – add language to table title: Table III – **L/SLBE Preference Points for Professional Services Projects for Non-Certified and Non-Local Businesses**

Add language to table title: Table IV – **L/SLBE Preference Points for Professional Service Projects for Certified Businesses**

For both bid discounts and preference points, VSLBE participation will be double-counted towards achieving the SLBE participation requirement. For construction contract bids, a bid discount of 5% shall be applied to the VSLBE prime contractor during bid evaluation, and for professional services contract proposals a bid discount of 5% preference points shall be applied to the VSLBE prime contractor that meets a 50% subcontractor goal.

Page 21, LBE Certification Criteria – part 1 a. – Headquartered (primary office location) within the Oakland geographic region (City of Oakland) ~~and~~ **or...**

LBE Certification Criteria – part 2 – Fully operational with a valid business tax license certificate for at least twelve (12) months

~~SLBE Certification criteria – All of the above except~~ **1. Last most recent three years of tax returns, 2. Three years' average gross receipts must fall at or below 20% of the SBA size standard for the relevant industry sector, 3. Headquartered in Oakland, 4. Home-based office whereby a valid certification is in place 12 months prior to the closing date of a competitive process (additional minimum certification criteria : Fixed home-based offices should have the owner's residence as the business' sole headquarters at least twelve (12) consecutive months 6. Operations and employees in fixed office space 7. Current permits and fees, 8. Valid documents certifying business operations (e.g. contracts, billsets) 9. Registration in City's iSupplier system** Language was added to make this definition consistent with the definition of LBE

3. VSLBE Certification Criteria – ~~All of the above~~ **Same as SLBE certification, plus** - Language to clarify definition and make it consistent with related criteria
4. LPG/LBE Certification Criteria – Same as LBE criteria ~~except plus~~
5. NFP/LBE (Not for Profit/ Local Business Enterprise – Same as LBE **certification criteria**
6. NFP/SLBE (Not for Profit/ Small Local Business Enterprise – Same as **SLBE certification criteria**
7. Remove “JV (Joint Venture) – ~~Same as L/SLBE certification criteria, plus~~”: as it is not a certification category

8. SBA-LBE (Small Business Administration – ~~Sized~~ Local Business Enterprise – Same as LBE **certification criteria**)

Page 24 – add **Copies of most recent Quarterly Wage and Withholding Reports (DE-6)** to the list of documents reviewed to make a determination of eligibility for certification.

Page 37 – delete the paragraph describing Sheltered Market Program – deleted per request of the District 6 Councilmember and inadvertently left in.