Section 11

Local Business Preference Program

Per City of Los Angeles Ordinance No. 187121 and LAAC § 10.25, et seq., the City is committed to maximizing opportunities for local businesses and local small businesses in Los Angeles County, business entities working with the hardest-to-employ populations. It is the policy of the City to prevent unemployment, encourage an increase in local jobs, and create high road economic development. The new Local Business Preference Program (LBPP) aims to benefit the City by increasing local jobs and expenditures within the private sector. Criteria and instructions for participation in the LBPP are set forth herein.

Effective March 27, 2024, the Local Business Preference Program (LBPP) was modified in regards to awarding preferences for contracts valued over $150,000. The details of these changes are outlined in the City of Los Angeles Ordinance No. 188111. The attached template is included as a resource on how the LBPP is calculated and incorporated in the evaluation process.

INSTRUCTIONS

Proposers interested in participating in the LBPP must complete a Local Business Enterprise (LBE), Local Small Business (LSB), and/or Local Transitional Employer (LTE) application. The required Applications/Renewals will only be accepted and processed through RAMP. Instructions for applying for certifications are available on the RAMP Support page at https://www.rampla.org/s/support.

Proposers with LBPP certifications shall submit a PDF of their verified certifications with their response/proposal.

EXHIBIT 11

LBPP FOR RFPs

(Pages LBPP-1 through LBPP-7)

CITY OF LOS ANGELES
REQUEST FOR PROPOSALS- LOCAL BUSINESS PREFERENCE PROGRAM (LBPP)
City of Los Angeles Ordinance No. 188111, Article 4, Sections 10.25, *et esq.* of the Los Angeles Administrative Code

Local Business Prime- County (LBE)	6%
Local Small Business (LSB)	2%
Local Transitional Employer (LTE)	2%

*The maximum combined preference for a LBE shall not exceed 10%

Or

Local Business Prime- City (CBE)	10%
LSB	2%
LTE	2%

*The maximum combined preference for a CBE shall not exceed 12%

Or

LBE, CBE, LSB, LTE Subcontractor(s)	Up to 5%

*Note the value of the combined preferences shall not exceed one million dollars.

NOTE: Local Business Preference Program information and/or assistance may be obtained through the City's Office of Contract Compliance at bca.biphelp@lacity.org or bca.certifications@lacity.org

MANDATORY LOCAL BUSINESS PREFERENCE PROGRAM (LBPP) FOR USE ON CITY-FUNDED CONTRACTS GREATER THAN $150,000.00

General

This program is subject to the policies and requirements established by the City Council and the City of Los Angeles (City) Mayor's Office. The City is committed to maximizing opportunities for local businesses, as well as encouraging local businesses to locate and operate in Los Angeles County (County). It is the policy of the City to prevent unemployment, encourage an increase in local jobs, and create high road economic development. The Local Business Preference Program (LBPP) aims to benefit the City by increasing local jobs and expenditures within the private sector. The LBPP is set forth herein. Bidders should be fully informed of this program.

Awarding Authorities shall opt out when the contract is funded by a grant or is federally funded and funding regulations prohibit the funding recipient from implementing the LBPP on the resulting contract. The Awarding Authority can also opt out of the program when full and open competition is limited because of a sole source vendor, provider, or supplier. Finally, the Awarding Authority is entitled to determine at any time before the award of a contract that it is not in the City's best interest to grant a proposal preference to a qualifying Local Business. Failure to comply with the LBPP shall result in investigations by the Bureau of Contract Administration/ Office of Contract Compliance (BCA/OCC) in its role as the Designated Administrative Agency (DAA).

Participation Criteria for Local Business Preference Program

To be eligible for participation in this program, the BCA/OCC requires that the prospective local business submit an affidavit attesting as such on the Regional Alliance Marketplace for Procurement Los Angeles (RAMPLA) website. An affidavit form is available to be downloaded on the RAMP website at http://www.rampla.org. Determination of qualification as a local business by any other entities, other than BCA/OCC, or by any other means other than submission of an affidavit on RAMP shall not be accepted for purposes of participation in the LBPP. Affidavit forms are prioritized according to the date they are received. The local business must be listed on RAMP as such prior to the bid due date in order to participate in the LBPP. In cases where the affidavit was submitted prior to the proposal deadline but has not been verified by BCA/OCC, the Awarding Authority may request for the BCA/OCC to expedite the affidavit if the local business designation or CBE verification would result in a change of award recommendation and provide backup documentation showing that it would. In this instance, the status as a local business or CBE will be based on the date the affidavit was submitted.

Definitions

1. "**Article**" means the City of Los Angeles Ordinance No.188111, Article 4, codified in Sections 10.25, *et seq*. of the Los Angeles Administrative Code.

2. "**Awarding Authority**" means the governing body, board, officer, or employee of the City authorized to award a Contract and includes a department that has control of its own funds if the department adopts policies consistent with the provisions of this article. The Proprietary Departments and the Departments of Recreation and Parks, and Library are strongly encouraged to adopt local preference programs consonant with the provisions of the Article.

3. "**Bid Price**" means the dollar amount after the bidder's quoted price is adjusted for evaluation in accordance with applicable provisions. For procurement contracts this may include, but not be limited to Cash Discount or Combined Award Discount.

4. "**Cash Discount**" means a reduction in the full cost of a good or service when payment is made within a specified period of time: e.g. 2% 10 net 30.

5. "**City Business Enterprise**" means a certified Local Business that is located within City of Los Angeles boundaries. For more information, see "Local Business" definition below.

6. "**Combined Award Discounts**" (CAD) means the discount terms offered by a supplier and are usually expressed in percentages taken directly from the pricing totals of the bidders offering such a discount. CADs are applicable if the specification or bidding documents includes the CAD provision clause, it is applicable to more than one item or more than one group of items, and if the items included for CAD purposes are not cherry picked from a predefined group of items as set forth by the specifications or bid document.

7. "**Contract**" means a written agreement over $150,000.00 for the purchase of goods, equipment or services, including construction, by or for the benefit of the City or its residents.

8. "**Contractor**" means the person, business or entity awarded the Contract by the Awarding Authority.

9. "**Dealer**" or "**Supplier**" means any Person who owns, operates, or maintains a store, warehouse, or other establishment in the County of Los Angeles in which the equipment, goods, or materials of the general character described in the Proposal specifications and required under the Contract are regularly sold or leased to the public from its own inventory or otherwise procured in the usual course of its business. A "Dealer" or "Supplier" does not include a packager, broker, manufacturer's representative, or other person who arranges or expedites a transaction without taking ownership of the finished or assembled equipment, goods or materials prior to the sale or lease to the City.

10. "**Local Business**" means a business entity that occupies work space within the County, is in compliance with all applicable City and County licensing and tax laws, and can demonstrate one of the following: (1) it is headquartered in the County and physically conducts and manages all of its operations from a location in the County; (2) that at

least 50 of its full time employees perform work within the boundaries of the County at least 60 percent of their total regular hours worked on an annual basis; or (3) that at least half of the full-time employees (50%) of the business work within the boundaries of the County at minimum of 60 percent of their total, regular hours worked on an annual basis.

a. A business entity with multiple locations within the County, can aggregate 50 of its full-time employees working at least 60% of their regular hours from its different locations within the County to qualify as a Local Business.

b. A business entity awarded a City contract under the LBPP, must carry out the services of the contract using employees whose exclusive, primary working location is in Los Angeles County.

c. A joint venture must be a legally established entity and be certified as an LBE in order to participate in the LBPP. Individual LBE certification by one or more of the joint venture partners will not be considered sufficient to qualify for participation in the LBPP.

d. A firm that is certified as a Local Small Business Enterprise (LSBE) with the Los Angeles County Office of Small Business will be verified as an LBE on BAVN upon receipt of documentation supporting eligibility for the City's LBE certification.

Local Business Preference Program Participation Recognition

1. Qualifying contractors who participate in the LBPP by qualifying as a local business will receive 6% preference credit to their proposal in excess of $150,000.00. A Local Business that is also a City Business shall be awarded an additional 4% preference credit.

2. Qualifying contractors who participate in the LBPP by also qualifying as a Local Small Business or Local Transitional Employer will receive an additional 2% preference credit for each additional certification to their proposal in excess of $150,000.00.
3. A Local Business that is not eligible for the additional preference, but that identifies a Subcontractor(s) that is certified by the DAA as a Local Small Business or a Local Transitional Employer (LTE), shall receive up to a maximum of 2% preference for each additional certification. The additional preference under this subsection shall be applied as follows:

   a. A Local Business that identifies a Subcontractor certified by the DAA as a Local Small Business shall receive a 1% preference to the Proposal for every 10% percent of the cost of the proposed work to be performed by the qualifying Subcontractor.

   b. A Local Business that identifies a Subcontractor certified as a Local Transitional Employer shall receive a 1% preference to the Proposal for every 10% percent

of the cost of the proposed work to be performed by the qualifying subcontractor.

c. The Bid must identify each Subcontractor, the proposed work of the Subcontractor, and the cost of the work for each Subcontractor.

4. A Proposal that does not qualify for the Local Business Preference may receive up to a 5% preference if it identifies a Subcontractor that is certified by the DAA as a Local Business, City Business, Local Small Business, or Local Transitional Employer.

    a. The Proposal must identify each Subcontractor, the proposed work of the subcontractor, and the cost of the work for each Subcontractor.

    b. The Subcontractor preference shall be applied to Proposals, where a 1% preference will be received for every 10% percent of the cost of the proposed work to be performed by the qualifying Subcontractor.

5. Preferences shall only be awarded to a Local Business when a minimum of two-thirds of the services provided under the contract are performed in Los Angeles County. Preferences shall only be awarded for equipment, goods or materials when the Local Business acts as a supplier or dealer (for a minimum of two thirds of the work), or designs, manufactures, or assembles the equipment, goods or materials, where a minimum of two thirds of the work, based on the dollar amount under the Contract, is performed in Los Angeles County.

6. The maximum combined preferences that may be awarded to a Proposal under this article shall not exceed 12% and the value of the combined preferences shall not exceed one million dollars.

7. A Proposal preference does not reduce the contract amount.

8. In the event where a Local Business, bids on a City contract, and is determined by the Awarding Department, after the proposal deadline, to not qualify as a Local Business, the business will be eligible for the Local Business Subcontractor Preference of up to 5%, if it has identified a qualifying Local Subcontractor(s) to perform work under the contract.

    a. The above provision shall only apply where the non-compliance is an error or mistake. It shall not apply to a business that intentionally or fraudulently claims to be a Local Business through misleading or false statements.

    b. It is the responsibility of the business registered on RAMPLA as a certified Local Business to inform BCA via email at bca.certifications@lacity.org, that it no longer meets the certification criteria within 7 days of the change. Failure to do so shall be construed as a misleading and/or false statement.

<u>Failure to Comply & Penalties</u>

1. The penalties in this subsection may be assessed on any Contractor that:

    a. Upon receipt of information believed by the Awarding Authority to be reliable and which indicates that the Local Business no longer qualifies as a Local Business, City Business, Local Small Business and/or Local Transitional Employer for more than 60 days during the entire time of the Contract, the Awarding Authority shall withhold or recover funds from the Contractor in an amount that represents the value of the proposal preference of the executed contract.

    b. If for any reason the Local Subcontractor, providing the basis for a Local Subcontractor Preference, is unable to, or does not, perform the work under the Contract; the Contractor shall, within 60 days, replace that Local Subcontractor with another Local Subcontractor. If the Contractor is unable to replace the Local Subcontractor specified in the Contract with another Local Subcontractor within 60 days, the Awarding Authority shall be entitled to withhold or recover funds from the Contractor in an amount that represents the value of the Proposal Preference.

    c. In the event that an investigation reveals that a business fraudulently represented itself as a Local Business for the purpose of gaining a preference under the LBPP, the business shall not be eligible for the Local Business status for up to five years from the date of disqualification. This also applies to any business that has received a preference, but fails to maintain its Local Business qualification for a cumulative of 60 days during the entire time of the contract.

2. The Awarding Authority may impose the following remedies:

    a. For proposals, the value of the proposal preference is determined by multiplying the percentage of the preference evaluation points awarded to the Contract dollar amount.

    b. Additional costs and expenses to the City resulting from the Contractor's failure to comply with the Article.

    c. Termination of all or part of the Contract.

3. Exception – Any Local Small Contractor that is found to have ascended to an income level that exceeds the maximum requirement of the certification qualifications as a Local Small Business during the execution of the Contract. In this instance, the Contractor's certification status will remain intact for the duration of the executed Contract. However, the executed Contract shall have no bearing on the Contractor's certification status for any future or pending bids, proposals, qualifications or quotes submitted for any other City contracting opportunities.

<u>Complaints and Protests</u>

1. All complaints and/or protests regarding qualifying local businesses and local subcontractors, including local small businesses and LTEs, claiming non-compliance by Awarding Authorities or its failure to maintain certification criteria, shall be made to the BCA/OCC either in writing or by email for further investigations. Complaints must be accompanied by documentation which substantiates the complainant's allegations.

Any complaints that meet the criteria of No. 1 shall be investigated by BCA/OCC in its role as the Designated Administrative Agency. (DAA)

Submit complaints to:

By Mail	**Office of Contract Compliance** **Bureau of Contract Administration** **Department of Public Works** **1149 South Broadway, Suite 300** **Los Angeles, CA 90015**
By Email	**bca.biphelp@lacity.org**