



Local Business Utilization (LBU) Policy

POLICY AMENDMENT: As of April 28, 2021, the OUSD LBU policy has been amended with the intent to expand the number of eligible contractors by accepting Oakland based firms who are currently certified by the following agencies:

- [The City of Oakland](#)
- [The Port of Oakland](#)
- [Alameda County Transportation Commission](#)
- [Alameda County](#)
- [California Public Utilities Commission](#)
- [Caltrans](#)

DEFINITIONS

LBE – Local Business Enterprise

A firm located in Oakland and certified by the City of Oakland and/or one of the listed agencies as an LBE.

SLBE – Small Local Business Enterprise

A firm located in Oakland and certified by the City of Oakland as an SLBE or VSLBE, and/or one of the listed agencies that meets the City of Oakland small business size standards.

SLRBE - Small Local Resident Business Enterprise A firm **certified by the Oakland Unified School District** that meets all the criteria for the SLBE and whose owner is a current City of Oakland resident.

NOTE: Designation as a “small” business remains in alignment with the City of Oakland size standards. Firms seeking small business credit that are not certified by the City of Oakland must provide copies of their last three years of tax returns. If a firm’s average gross revenue over three years is above the City of Oakland size standard, that firm will only count toward the local business (LBE) requirement.

Following is a description of how the policy applies to District contracts:

1. REQUIREMENTS

There is a 50% Local Business participation requirement on all District Capital Program construction and construction related professional services agreements.

2. MEETING THE REQUIREMENTS

The 50% Local Business utilization requirement can be met with: 25% (or less) Local Business (LBE) participation AND 25% (or more) Small Local and/or Small Local Resident Business (SLBE/SLRBE) participation.

3. BID DISCOUNTS FOR MEETING THE REQUIREMENTS

All firms meeting the 50% Local Business utilization (LBU) participation requirement with a maximum of 25% of LBE and a minimum of 25% SLBE and/or SLRBE participation will be considered responsive and **receive a 2% bid discount**. Bids that do not meet the 50% LBU requirements are considered non-responsive unless otherwise approved by the District.

Additional Bid Discounts: In addition to the 2% bid discount for the 50% LBU participation firms with participation of 60-80% will earn additional bid discounts as follows.

- **Bidders receive an additional 1% discount** for 60% LBU participation if the team has a minimum of 35% SLBE/SLRBE of the total 60% LBU participation, for a 3% total bid discount.

Maximum LBE Participation	Minimum SLBE/SLRBE Participation	Total LBU (LBE and SLBE/SLRBE) Participation	Additional Bid Discount	Total Bid Discount (Additional + 2%)
25%	35%	60%	1%	3%

- **Bidders receive an additional 2% discount** for 70% LBU participation if the team has a minimum of 45% SLBE/SLRBE of the total 70% LBU participation, for a 4% total bid discount.

Maximum LBE Participation	Minimum SLBE/SLRBE Participation	Total LBU (LBE and SLBE/SLRBE) Participation	Additional Bid Discount	Total Bid Discount (Additional + 2%)
25%	45%	70%	2%	4%

- **Bidders receive an additional 3% discount** for 80% LBU participation if the team has a minimum of 35% SLBE and a minimum of 20% SLRBE of the total 80% LBU participation, for a 5% total bid discount.

Maximum LBE Participation	Minimum SLBE Participation	Minimum SLRBE Participation	Total LBU (LBE and SLBE/SLRBE) Participation	Additional Bid Discount	Total Bid Discount (Additional + 2%)
25%	35%	20%	80%	3%	5%

CERTIFICATION

The District manages the Small Local Resident Business Enterprise (SLRBE) Certification Program. **To become certified as a Small Local Resident Business Enterprise each firm must:**

- **Submit proof of City of Oakland certification as a Small Local Business Enterprise (SLBE) or Very Small Local Business Enterprise (VSLBE).** Firms certified by other accepted local agencies, MUST also submit three years tax returns as indicated on the Supplemental E documents.
- **Submit verification of the firm owner’s City of Oakland residency.**
View the Supplemental E instructions and email lbucompliance@ousd.org for complete SLRBE certification information.

To receive participation credit, all LBE, SLBE, SLRBE or equivalent firms must be certified prior to bid submittal. Upon submittal, firm information will be reviewed and approved for responsiveness and bid discount.

OUSD Local Business Program Credit Chart

Only firms operating in Oakland will be eligible for local business credit for OUSD.

Firms seeking SLBE/SLRBE credit that are not certified with the City of Oakland MUST complete the SLBE/SLRBE Supplemental E request form. Otherwise, credit will be given per the chart below.

CREDIT FOR OUSD LOCAL BUSINESS PROGRAM		
	LOCAL	SMALL
Alameda County Certified Firms		
Local	X	
Small	X	
Emerging	X	
Alameda County Transportation Commission		
Local	X	
Small	X	
Very Small		X
Caltrans		
DBE	X	
CA Public Utilities Commission		
MWBE/LGBT	X	
City of Oakland		
Local	X	
Small		X
Very Small		X
Port of Oakland		
Local Area	X	
Local Impact Area	X	
Small	X	
Very Small		X

AGENCY	DEFINITIONS	NOTES
Alameda County	<ul style="list-style-type: none"> Local Small Emerging 	Small local business defined by the SBA size standards Emerging local business defined as meets less than one half the SBA size standards
Alameda County Transportation Commission	<ul style="list-style-type: none"> Local Small Very Small 	Small local business defined by the SBA size standards Very small local business must not exceed average gross revenue of \$3.5million over the past 3 years
CA Public Utilities	<ul style="list-style-type: none"> M/W/LGBTBE 	Certification based on ownership
City of Oakland	<ul style="list-style-type: none"> Local Small Very Small 	Small local business defined as revenue must not exceed 20% of the most recently published SBA size standards Very small annual revenue below \$357,000
Port of Oakland	<ul style="list-style-type: none"> Local Area Local Impact Area Small Very Small 	Small local business must not exceed average gross revenue of \$36 million over past 3 years Very small local business must not exceed average gross revenue of \$5million over the past 3 years
Caltrans	<ul style="list-style-type: none"> DBE 	Disadvantaged Business Enterprise must not have average annual gross receipts over the firm's previous three fiscal years in excess of \$26,290,000

SBA Size Standard Chart for Construction – 2019 ([2019 SBA Size Standards](#))

For additional information regarding the OUSD Local Business Utilization Program, please contact lbucompliance@ousd.org.

Certification Conversion Examples

Scenario #1:

Julie's Oakland based flooring company is certified with the Port of Oakland as a Small Business and wishes to do business with the Oakland Unified School District. Under the new policy amendment, Julie's business will get the same consideration for local participation as a Local Business Enterprise (LBE) because her firm's gross revenues exceed City of Oakland's "small" size standards for a business providing flooring services.

Scenario #2:

Fred's Oakland based landscaping business holds a valid certification with Alameda County as a Small Local Emerging Business. The County's small business size standard exceeds that for the City of Oakland, but Fred wants to be considered as a SLBE for OUSD contracts. Under the new policy amendment, Fred must provide a copy of his last three years tax returns to prove his gross revenue is 20% of the SBA size standard. His business would get the same consideration for local participation as a Small Local Business Enterprise (SLBE) based on the City of Oakland's size standard.

Scenario #3:

Angela is an Oakland resident who owns an architectural firm in downtown Oakland. She is currently certified with the Alameda County Transportation Commission as a Very Small Local Business and wishes to do business with the Oakland Unified School District. Under the new policy amendment, Angela must provide a copy of her last three years tax returns and will get the same consideration for local participation as a Small Local Business Enterprise (SLBE) **AND** she is eligible to be certified through the School District's Small Local Resident Business Enterprise (SLRBE) program.

Scenario #4

Antonio owns a glass and glazing business located in Oakland and is certified by the CA Public Utilities Commission as a Minority Business Enterprise (MBE). Under the new policy amendment, Antonio would be granted the same consideration for local participation as a Local Business Enterprise (LBE) based on the City of Oakland's guidelines. If he thinks he is qualified as a small business, he must provide a copy of his last three years tax returns to prove his gross revenue is 20% of the SBA size standard.

Scenario #5

Accurate Testing is an Oakland based company certified by the Port of Oakland as a very small business enterprise (VSBE). Their average annual gross Revenue is \$4.5 million dollars over the past three years. This average exceeds the City of Oakland small business size standard threshold of 20% of the SBA size standard. Accurate Testing would only receive credit as a local business enterprise (LBE).

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Supplemental



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Supplemental Questionnaire for Certification

E 1) To participate in the Oakland Unified School District's Local/Small Local Program, complete the common application for, Alameda County, Alameda County Transportation Commission, CA Public Utilities Commission, CA Unified Certification Program, City of Oakland, or Port of Oakland.

E 2) Please be advised that firms seeking small business status that are not certified with the City of Oakland MUST submit the 1st page of their federal tax returns for the last three consecutive years as evidence that their gross revenue does not exceed 20% of the US SBA small business size standard for their NAICS codes.

E 3) Please be advised the Oakland Unified School District (OUSD) also certifies Oakland residents who own certified small local businesses in Oakland into the OUSD Small Local Resident Business (SLRB) Program. If your firm is applying for the SLRBE please submit the following:

- a. Original issued government document, driver's license, or valid issued identification. Must show a valid picture ID
- b. Three (3) addresses for verification dated within 90 days of submittal. Must reflect the business owner's CURRENT address:
 - i. One to three utility bills from different agencies, and/or i.e., PG&E, home telephone, water, garbage, or cable
 - ii. Both automobile registration and insurance, and/or
 - iii. Homeowner's/renter's insurance policy, and/or
 - iv. Property tax statement, and/or
 - v. Official letter from a social service/government agency, and/or
 - vi. Rental/Lease Agreement or Grant Deed or Title

Note: Submit all documents to 360 Total Concept Consulting at lbucpliance@ousd.org no later than one week prior to bid due date.

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Supplemental



OAKLAND UNIFIED
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DECLARATION OF CERTIFICATION

The undersigned declares under penalty of perjury that the statements made in the EBIA Common Application for Local Certification, the City of Oakland Supplemental C and Oakland Unified School District Supplemental E section(s) are true and correct and include all material information necessary to identify, describe and explain the operations and locations of this firm as well as the ownership thereof. I understand that OUSD relies on the statements and representations contained in this Certification Application and Supplemental Questionnaire. I further understand that **any** false statements or material misrepresentations will be grounds for termination of any contract which may be awarded, grounds for further penalties including debarment from participation in future OUSD contracts, grounds for De-Certification and grounds for possible prosecution under Federal or State laws concerning false or fraudulent representations.

Company Name

Name (Print)

Title

Authorized Signature

Date