Item #29

Local Small Business Enterprise (LSBE) Preference Program

Construction Committee

September 15, 2022

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- The current LSBE Preference program, approved by the Board in February 2022.
    - Launched in August 2022
    - Applies to non-federally funded negotiated procurements (RFP) in excess of $100,000 with SBE/DVBE goals

- The program provides a 5% preference credit:
    - SBE Proposers that meet the LSBE criteria as a prime receive a 5 percent preference credit added to their overall evaluation score.
    - Proposers that do not meet the LSBE criteria as a prime, but subcontract at least 30% of the contract value with eligible LSBE firms, receive a 5 percent preference credit added to their overall evaluation score.

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- To qualify as a LSBE, a firm must be SBE certified with Metro and headquartered in the County of Los Angeles for at least the last 6 months prior to the submission of the firm's proposal:

  o Headquartered means that the business physically conducts and manages all of its operations from a location in the County.

  o Metro currently has 2238 SBE certified firms of which 1124 qualified for the program and now have LSBE designations.

  o Staff has certified more firms than originally forecast in the February 2022 report to the Board.

- Five (5) of 26 contracts awarded during the last fiscal year, were awarded to SBE Primes, of which two awards, would have met the LSBE Preference criteria, highlighting the importance of implementing the LSBE Program.

- Over the next six months, staff projects approximately 14 RFPs will be issued with the LSBE preference.
  - Varying types and mix of non-federally funded contracts that may include professional services like Uniform Rental Services and Engineering

- To better assess implementation progress, lessons learned, and feasibility of program enhancements, staff believes six months is needed to allow solicitations to work their way through the solicitation and award process.

- Staff will report back to the Board in six months with a program update.

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Q & A

Thank you

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