

BIDS

(Pages LBPP-1 through LBPP-5)

**LOS ANGELES WORLD AIRPORTS (LAWA)
REQUEST FOR BIDS- LOCAL BUSINESS PREFERENCE PROGRAM (LBPP)
Board of Airport Commissioners Resolution No. 24781**

Effective July 1, 2012

Local Business Prime	8%
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Or

Local Business Subcontractor (s)	Up to 5%
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MANDATORY LOCAL BUSINESS PREFERENCE PROGRAM (LBPP) FOR USE ON LAWA-FUNDED CONTRACTS GREATER THAN \$150,000.00

A. General

This program is subject to the policies and requirements established by the Board of Airport Commissioners (BOAC). LAWA established the LBPP as part of its commitment to help local businesses participation in LAWA contracts. The LBPP seeks to leverage funds expended under contracts to stimulate local business activities, encourage businesses to set up operations locally, and to augment local job creation efforts. It will also lay a foundation for a sustainable local economic development by promoting the creation, expansion, and retention of local businesses. **LAWA 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. Secondly, LAWA can opt out of the program when full and open competition is limited because of a sole source vendor, provider, or supplier. Failure to comply shall result in investigations by the Bureau of Contract Administration/ Office of Contract Compliance (BCA/OCC) in its role as the Designated Administrative Agency. However, LAWA is entitled to determine at anytime that it is not in LAWA's best interest to grant a Bid preference to a qualifying Local Business, Local Subcontractor, or Provisionally Qualified Local Business.**

B. Participation Criteria for Local Business Preference Program

To be eligible for participation in this program, LAWA requires that the prospective local business submit an affidavit attesting as such on the Los Angeles Business Assistance Virtual Network (LABAVN) website. An affidavit form is attached and is also available to be downloaded on the LABAVN website at <http://www.labavn.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 LABAVN 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 LABAVN 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 and the local business designation would result in a change of award recommendation, status as a local business will be based on the date it was submitted.

C. Definitions

1. "Awarding Authority" means the Board of Airport Commissioners, or any employee or officer of Los Angeles World Airports (LAWA) authorized to award or enter into any contract on behalf of LAWA.
2. "Contract" means a written agreement involving consideration in excess of \$150,000.00 for the purchase of goods, equipment or services, including construction, by or for the benefit of LAWA.
3. "Contractor" means the person, business or entity awarded the Contract by LAWA.
4. "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.

5. "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.
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 document 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. "Local Business" means a business entity that occupies work space within the County of Los Angeles and is in compliance with all applicable City or 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 a 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 LAWA contract under the LBPP must carry out the services of the contract using employees whose exclusive, primary working location is in Los Angeles County.
8. "Local Subcontractor" means a contractor that meets the same qualification as a local business.
9. "Provisionally Qualified Local Business" means a business entity that is yet to establish operations within the County, and does not immediately qualify as a local business under the Los Angeles Administrative Code. However, the business is provisionally qualified as a local business because it is undertaking imminent steps to qualify as a local business as defined by Article 21, Section 10.47.3. No later than 60 days after the date on which the Contract with LAWA is awarded, but prior to execution of the contract, the Provisionally Qualified Local Business must become a qualified Local Business.
10. "Supplier" and/or "Regular Dealer" means a business that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the contract are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. Additionally, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not regular dealers. A person may be a regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business as previously described if the person both owns and operates distribution equipment for the products. Any supplementing of regular dealers'

own distribution equipment shall be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis.

D. Local Business Preference Program Participation Recognition

1. Qualifying contractors who participate in the LBPP by qualifying as a local business will receive an 8% preference credit to their bid in excess of \$150,000.00 or bids in excess of \$1,000,000.00 if a Provisionally Qualified Local Business.
2. Qualifying contractors who participate in the LBPP but do not qualify as a local business, but however are qualified because they identify a qualified local subcontractor to perform the work under the contract will receive up to a 5% preference credit to their bids.
 - a. LAWA shall provide a 1% preference, up to a maximum of 5%, to the proposal price for every 10% of the cost of the proposed work to be performed by the local subcontractor. This rule applies to a local subcontractor or local subcontractors; provided that the work performed is of a commercially useful purpose in execution of the contract and/or performed in the subcontractor's normal course of business. The work performed and all costs of each local subcontractor or subcontractors should be clearly specified in the proposal.
3. Preferences shall only be awarded to a Local Business or Local Subcontractor when the services provided under the contract are directly provided by its employees whose primary work location is in Los Angeles. Preferences shall only be awarded for equipment, goods or materials when the Local Business or Local Subcontractor acts as a supplier or dealer (not less than two thirds of the time), or designs, manufactures, or assembles the equipment, goods or materials (not less than two thirds of the time), at a business location in the City.
4. A Provisionally Qualified Local Business who participates in the LBPP by qualifying as a local business will receive an 8% preference credit to its bids, as long as the proposed contract between the business and LAWA involves consideration no less than \$1,000,000.00 and has duration of no less than three (3) years.
 - a. To participate in the program a proposed Provisionally Qualified Local Business must download and complete a Provisionally Qualified Local Business affidavit form at www.bca.lacity.org, which it shall attach and submit with its bid documents to LAWA.
5. A Provisionally Qualified Local Business shall lose its status as such when it fails to fully comply as a local business within 60 days after the date on which the Contract with LAWA is awarded. LAWA shall notify the Provisionally Qualified Local Business thirty (30) days to the anniversary of the second month notifying the business that it comply as a local business or contract award will be rescinded. Loss of status as a Provisionally Qualified Local Business is permanent; closure forbids a business from qualifying as a Provisionally Qualified Local Business in the future for purposes of bidding on LAWA Contracts.
6. Once a Provisionally Qualified Local Business is notified by LAWA of its intent to award a contract, the Provisionally Qualified Local Business shall submit all of the following; (1) an enforceable, contractual right to occupy commercial space within the County, which shall commence no later than 60 days after the date of the execution of the contract; (2)

a business plan on its ability to become a Local business; (3) any other sufficient documentation required by LAWA.

All required supporting documentation/ evidence demonstrating qualification as a Provisionally Qualified Local Business must be submitted to LAWA within 30 days of request.

- a. If LAWA is satisfied with documentation submitted by the Provisionally Qualified Local Business, and it determines that it shall award the business the contract, LAWA prior to the execution of the contract shall send BCA a memo stating that the business was able to demonstrate that it qualifies as a Provisionally Qualified Local Business, the memo shall also list the documents received by LAWA, and recommend that BCA determine the business to be a Provisionally Qualified Local Business.
7. The maximum preference for all qualifying local businesses, local subcontractor(s), and provisionally qualified local businesses shall not exceed \$1,000,000.00 for any bid.
 8. A bid preference does not reduce the contract amount.
 9. In the event where a certified Local business bids on a LAWA contract, and is determined by LAWA after the bid deadline to not qualify as a Local Business, the business will be eligible for a Local Subcontractor Preference of up to 5 percent, if it has identified a qualifying Local Subcontractor(s) to perform work under the contract.
 - a. The above exemption 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 LABAVN as a certified Local Business to inform BCA via email at bca.certifications@lacity.org, that it no longer meets the certification criteria within seven days of the change. Failure to do so shall be construed as a misleading and/or false statement.
 10. Upon receipt of information believed by LAWA to be reliable and which indicates that the Local Business no longer qualifies as a Local Business for more than 60 days during the entire time of the Contract, LAWA shall withhold or recover funds from the Contractor in an amount that represents the value of the bid preference.
 11. Upon receipt of information believed by LAWA to be reliable and which indicates that the Local Subcontractor (s) no longer qualifies as a Local Business, providing the basis for a Local Subcontractor Preference and the Prime Contractor fails to replace the Subcontractor (s) with another Local Subcontractor (s) within 60 days of notification by LAWA. LAWA shall withhold or recover funds from the Contractor in an amount that represents the value of the bid preference.
 12. In the event that investigations reveal that a business fraudulently represents itself as a Local Business for the purpose of gaining a preference under the LBPP, the business shall lose its status as such for up to five years. This will also apply to any business that has received a preference, but failed to maintain its Local Business qualification for a cumulative of 60 days during the entire time of the contract.

E. Complaints and Protests

1. All complaints and/or protests regarding qualifying local businesses, provisionally qualified local businesses, and local subcontractors claiming non-compliance by LAWA 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 complainant's allegations.
2. Any complaints that meet the criteria of No. 1 shall be investigated by BCA, OCC in its role as the Designated Administrative Agency.

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.blphelp@lacity.org**

**THIS FORM MUST BE OBTAINED FROM AND UPLOADED TO THE WWW.LABAVN.ORG WEBSITE
TO BECOME ELIGIBLE FOR THE PREFERENCE DO NOT SUBMIT THIS FORM WITH YOUR BID.**



**LOCAL BUSINESS CERTIFICATION
AFFIDAVIT OF ELIGIBILITY**

Name of Firm SAMPLE FORM ONLY BAVN Company ID Number _____

Business Address XX

City, State, Zip Code XX

Telephone Number XXXXXXXX Fax Number XXXXXXXX E-mail Address XXXXXXXXXXXXXXXXXXXX

I declare that XX (Firm's Name)

- 1. Occupies work space within Los Angeles County, and can submit proof of occupancy to the City of Los Angeles by supplying evidence of a lease, deed or other sufficient evidence demonstrating that it is located within Los Angeles County.
- 2. Is in compliance with all applicable laws relating to licensing and is not delinquent on any City of Los Angeles or Los Angeles County taxes.
- 3. Can demonstrate compliance to one of the following (Check all that apply):
 - a. at least 50 of its full-time employees perform work within the boundaries of the Los Angeles County at least 60 percent of their total regular hours worked on an annual basis; or
 - b. at least half of its full-time employees work within the boundaries of the Los Angeles County at a minimum of 60 percent of their total regular hours worked on annual basis; or
 - c. Is headquartered in Los Angeles County. Headquartered means that the business physically conducts and manages all of its operations from a location in the County.

I declare under penalty of perjury that the foregoing is true and correct.¹

SIGNATURE SAMPLE FORM ONLY Title _____

Printed Name SEE ATTACHED INSTRUCTIONS Date _____

Certified Local Businesses are eligible to receive an 8% preference (for Local Prime contractors), or up to a 5% preference (for Local Subcontractors) on City contracts in excess of \$150,000. Preferences awarded for services shall be applied only if the services are provided directly by the Local Business or Local Subcontractor using employees whose exclusive, primary working location is in Los Angeles County. Preferences awarded for equipment, goods or materials shall be applied only if the Local Business or the Local Subcontractor substantially acts as the supplier or dealer, or substantially designs, manufactures or assembles the equipment, goods or materials at a business location in Los Angeles County. The maximum bid or proposal preference shall not exceed One Million Dollars (\$1,000,000) for any Bid or Proposal.

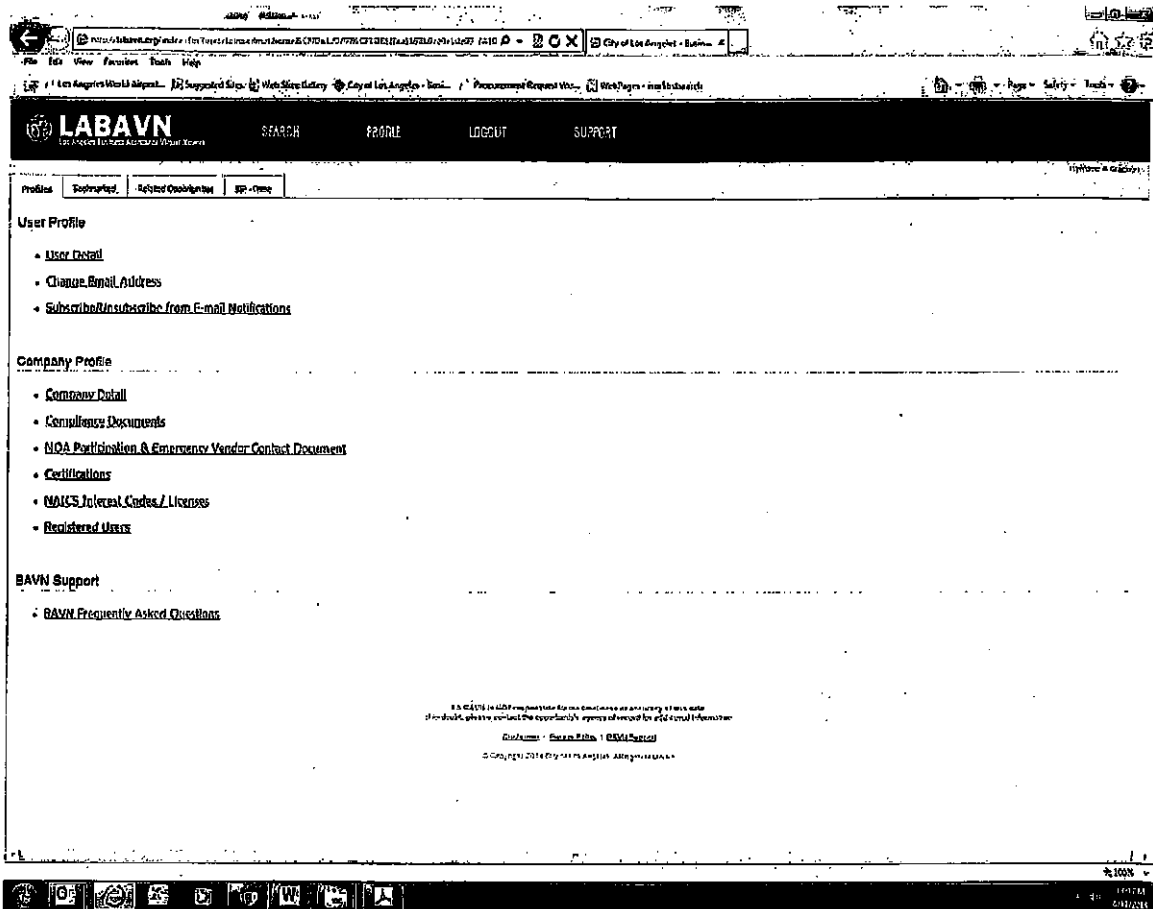
To remain certified and be given the preference, firms must continue to meet the City's Local Business Preference Ordinance #181910 certification criteria and complete an Affidavit of Eligibility every five (5) years. We continue to reserve the right to re-evaluate your certification eligibility anytime it is deemed necessary.

¹ **Knowingly and willfully providing false information is a violation of the City Ordinance #181910 and could subject you to fines, contract termination or debarment from transacting business with the City. Business owners claiming eligibility to the Local Business Preference Program criteria must sign this affidavit.**

LAWA PROCUREMENT SERVICES DIVISION

SUPPLEMENTAL INSTRUCTIONS FOR OBTAINING AND UPLOADING LOCAL BUSINESS ENTERPRISE PREFERENCE QUALIFICATION DOCUMENTS.

1. You must have a www.labavn.org account and be the administrator of the account
2. After you first log in to your account you will see the "Profiles" tab
3. Under the heading "Company Profile" click the link "Certifications"



4. At the top of the next page you will see a tab the says "Request City of LA Certifications", Click that tab.
5. Then click on "Click here to apply on-line for the LBE: Local Business Enterprise (Los Angeles) certification"

LAWA PROCUREMENT SERVICES DIVISION

LABAVN
Los Angeles Business Alliance

SEARCH PROFILE LOGOUT SUPPORT

Request City of LA Certification Request LBE Certification

Select a City of Los Angeles Certification to be Added to Your Company Profile

This is not an on-line application. You **MUST** already be certified to add the following to your BMMI profile.

- **WBE** - Women Owned Business Enterprise
- **WDBE** - Women Owned Business Enterprise
- **DBE** - Disadvantaged Business Enterprise
- **DBV** - Disadvantaged Vendor Business Enterprise
- **SB** - Small Business Enterprise (SBE)
- **ESB** - Ethnic Business Enterprise
- **SDB** - Small/Local Business Enterprise

Click here to apply on-line for the [Small Business Enterprise \(SBE\) Affidavit of Eligibility Form](#) ← **Step 5**

Local Business Enterprise (LBE)

Qualifications:

- Application requires a WHO STATE WITH LA COUNTY.
- Application is completed with all necessary forms relating to formation and is not restricted to any Los Angeles City or Los Angeles County.
- Can demonstrate:
 - a) at least 50 of its full-time employees perform work within the boundaries of the County at least 40 percent of their total hours worked on annual basis;
 - b) at least 50 percent of its full-time employees work within the boundaries of the County at a minimum of 80 percent of their total regular hours worked on annual basis; or
 - c) its headquarters in the County of Los Angeles. Headquarters means that the business physically conducts and manages all of its operations from a location in the County.

Instructions:

- You **MUST** apply with a WHO STATE WITH LA COUNTY.
 - 1) [Download the Official LBP Affidavit of Eligibility Form](#)
 - 2) Complete the form, sign, and scan using a PDF file
 - 3) Check off the LBE box and upload the completed PDF file below
 - 4) Submit the form
- If you are having difficulty uploading, contact [MVA Support at 424-646-7392](#)
- Please note that you cannot submit the LBP Affidavit of Eligibility Form via fax.

Requests to be certified as: **Local Business Enterprise**

Upload the Completed Official LBP Affidavit Form: ← **Step 8**

I am checking this checkbox you are certifying that your company is already certified by the City of Los Angeles, and that you want to add this certification to your BMMI profile.

6. The page will open up as above. Under the heading, **Instructions**, click the link, "Download the LBP Affidavit of Eligibility Form" and follow the additional instructions, 2, 3, and 4 on the page.
7. All information entered on the LBP Affidavit of Eligibility Form must correspond exactly to your company information entered previously (e.g. company name/address) on the www.labavn.org website.
8. Upload the completed official LBP Affidavit Form (Browse Button) at the bottom of the page to complete the process. You need not enter anything in the checkbox.
9. Click "Submit Query". You should then receive confirmation of the upload.
10. If you have any problems using this procedure please contact us at 424-646-7392