



SMALL BUSINESS *Enterprise Program*

LOCAL BUSINESS PREFERENCE PROGRAM

The Harbor Department is committed to maximizing opportunities for local and regional businesses, as well as encouraging local and regional businesses to locate and operate within the Southern California region. It is the policy of the Harbor Department to support an increase in local and regional jobs. The Harbor Department's Local Business Preference Program (LBPP) aims to benefit the Southern California region by increasing jobs and expenditures within the local and regional private sector.

In general, the local preference is applicable to all procurement, professional services, and construction contracts greater than \$150,000. Consultants, contractors, and vendors who qualify as a Local Business Enterprise (LBE) will receive an 8% preference on any proposal or bid valued in excess of \$150,000.

When applying the preference to procurement and construction contracts (contracts awarded based on low bid), the total price bid by a local business will be reduced by eight percent (8%). The reduced bid amount will be deemed the amount bid by that bidder; however, the resulting contract price will be the amount bid by the successful bidder prior to allocating the local preference percentage. For professional service contracts, the local preference is applied by adding eight percent (8%) of the total possible evaluation points to the local business' score.

Firms that do not qualify as a LBE may receive a maximum 5% preference for identifying and utilizing LBE subconsultants or subcontractors. Consultants and contractors may receive 1% preference, up to a maximum of 5%, for every 10% of or portion thereof, of work that is subcontracted to a LBE. LBE subconsultant and subcontractor preferences will be determined by the percentage of the total amount of compensation proposed under the Agreement or Contract. The maximum preference may not exceed \$1,000,000.

The Harbor Department defines a LBE as:

- (a) A business headquartered within Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties. Headquartered shall mean that the business physically conducts and manages all of its operations from a location in the above-named counties; or
- (b) A business that has at least 50 full-time employees, or 25 full-time employees for specialty marine contracting firms, working in Los Angeles, Orange, Riverside, San Bernardino, or Ventura Counties.

Firms may certify as a LBE on the Los Angeles Business Assistance Virtual Network at www.labavn.org.

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