Board Question

- Does the Board have the option to implement a local business enterprise (LBE) preference on non-federally funded contracts?
LBE Options

- **LBE preference** – grant preference to all San Mateo County businesses.

- **Small-LBE preference** – grant a preference to small businesses located in San Mateo County.

Preference Opportunities

- During Fiscal Year 2016, the District awarded 11 contracts through District-led competitive procurements. Awards totaled $3,731,041.
SBE Preference Conflict

- LBE preference to non-SBEs dilutes the effect of the SBE preference.

- Can conflict with the District’s desire to foster small business participation.
  - A small-LBE preference would not conflict with the SBE preference.

DBE Program Conflict

- Giving preference to non-DBE LBEs puts non-local DBEs at a disadvantage.
- San Mateo County has few DBEs.
  - Less than 5% of DBEs in the District’s market area are located in San Mateo County
Legal Requirements

• District Procurement Policy would need to be amended.
  - “Foster maximum open and free competition for District Contracts”
  - “Promote the greatest economy and efficiency in District procurement.”

Staff Recommendation

• Outreach to local organizations to promote the existing SBE Preference with local businesses.
• Look for a recommendation from the District’s Disparity Study on a small-LBE preference.
• If LBE preference is desired, form a partnership with other county agencies for a county-wide LBE certification.
Additional questions?