

Meeting Date: 9/16/2014

Report Type: Consent

Report ID: 2014-00663

Title: Proposed Contract Audit of the Sacramento Housing and Redevelopment Agency

Location: Citywide

Recommendation: Pass a Motion approving the City Auditor's issuance of a Request for Proposal (RFP) to engage a contractor to complete an audit of the Sacramento Housing and Redevelopment Agency (SHRA).

Contact: Jorge Oseguera, City Auditor, (916) 808-7278, Office of the City Auditor

Presenter: None

Department: Mayor/Council

Division: Office of the City Auditor

Dept ID: 01001201

Attachments:

1-Description/Analysis

2-Performance Audit of SHRA

City Attorney Review

Approved as to Form

Sandra Talbott

9/3/2014 12:14:48 PM

Approvals/Acknowledgements

Department Director or Designee: Jorge Oseguera - 9/2/2014 4:57:16 PM

Description/Analysis

Issue Detail: The City Auditor's approved FY 2014/2015 budget allocates funds for the use of a contractor to complete some audit projects. The City Council directed the City Auditor to complete a performance audit of the Sacramento Housing and Redevelopment Agency. The audit will be managed by the Office of the City Auditor.

Policy Considerations: The City Auditor's intent to conduct an audit of the Sacramento Housing and Redevelopment Agency is consistent with the Mayor and City Council's intent to have an independent audit function for the City of Sacramento.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: It is in the best interest of the City to request proposals in the competitive bidding process to complete an audit of the Sacramento Housing and Redevelopment Agency as requested by the City Council and funded by the City Auditor's approved FY 2014/2015 budget.

Financial Considerations: The City Auditors 2014/2015 budget includes the funding necessary to cover the costs of the audit.

Local Business Enterprise (LBE): None.

City of
SACRAMENTO

Request for Proposals

RFP NO. P15011201001

Project Name: Performance Audit of SHRA

RFP Posted on: September 19, 2014

RFP Closes on: October 20, 2014 at 5 p.m.

Questions due by: October 1, 2014 at 5 p.m.

Firms responding to this RFP shall submit one (1) electronic copy to the City in (PDF format) via the City of Sacramento's online bid center at: <http://www.planetbids.com/portal/portal.cfm?CompanyID=15300>

Issue Date: 09/19/2014

The City of Sacramento, Office of the City Auditor
is soliciting proposals to:

The City of Sacramento is seeking proposals from experienced and qualified firms to conduct a performance audit of the Sacramento Housing and Redevelopment Agency (SHRA).

Submit proposals to: Jorge Oseguera
Office of the City Auditor
915 I Street, Historic City Hall, 2nd Floor
Sacramento, CA 95814

Please Submit By: 10/20/14

Questions regarding this Request for Proposals should be directed via the City of Sacramento's online bid portal per the instructions and deadlines outlined in the RFP timeline:

Proposals must be submitted in accordance with the Submittal Requirements noted in Section 5 of this RFP no later than 5:00 p.m. on October 20, 2014. We may select the top companies for an interview.

The Housing Authorities for the City and County of Sacramento are legal entities that operate under the umbrella organization of the Sacramento Housing and Redevelopment Agency (SHRA.) The agency is a "joint powers authority" of the City and County of Sacramento to represent both jurisdictions for affordable housing and community redevelopment needs.

SHRA provides housing for Sacramento residents and administers rental assistance in private housing through vouchers funded by the U.S. Department of Housing and Urban Development (HUD). The Housing Authority owns and manages over 3,100 units of public housing.

SHRA also administers a number of programs on behalf of the City and County, including the Community Development Block Grant (CDBG) and HOME programs, low Income Housing Trust Funds, City Mixed Income and County Affordable Housing Programs, various first-time homebuyer programs, and enterprise zones established by the State of California.

Additional background information regarding SHRA is available at the following websites:

http://www.shra.org/Portals/0/pdf/about_shra/financials/2013CAFR.pdf

http://sacramento.granicus.com/MetaViewer.php?view_id=22&clip_id=3451&meta_id=418839

http://sacramento.granicus.com/MetaViewer.php?view_id=22&clip_id=3451&meta_id=418842

http://sacramento.granicus.com/MetaViewer.php?view_id=22&clip_id=1852&meta_id=172549

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Attachment 1 – Proposal Signatures

Attachment 2 – Local Business Enterprise Program

1. About the City of Sacramento

Founded in 1849, the City of Sacramento is the oldest incorporated city in California and is the capital city of California. It has a population of 453,781. Sacramento is a progressive City with great pride in its ethnic and cultural diversity, concern for environmental and social issues and emphasis on quality in the provision of governmental services. Sacramento is a Charter city, which operates under the City Council Manager Form of government. It has an annual budget of \$964.3 million and 5,294 full-time equivalent positions.

2. Project Overview

This Request for Proposals (RFP) solicits proposals from experienced and qualified firms to conduct a performance audit of the Sacramento Housing and Redevelopment Agency (SHRA) as it relates to the formation of affiliated non-profit entities and the partnerships of such entities with affordable housing developers. The audit will also assess the appropriateness of SHRA’s practices in evaluating and issuing loans and grants for affordable housing projects which compete for tax credits and other discretionary funding programs.

3. In response to the Request for Proposals, the City anticipates to receive competitive pricing as well as an assurance of quality services. The City intends to award one contract, however, may choose to award additional contracts as the City deems necessary to meet the City’s needs. If subsequent contracts are awarded, it will be based on initial proposals received in response to this RFP and must meet all the terms and conditions described herein. Firms that do not submit a proposal by the closing date will not be considered for any subsequent award.

One or more contracts may be awarded under this RFP. Contracts may be extended on a year-to-year basis up to five (5) years at the discretion of the City Auditor.

Proposed Timeline

4.		
	Release of Request for Proposal:	09/19/2014
	Questions Due by: @5:00PM	10/01/2014
	Proposals Due by: @5:00PM	10/20/2014
	Interviews (If necessary):	Week of October 27
	Selected Firm Notified	Week of November 3
	Anticipated Contract:	Week of November 10

Submit all questions via the City of Sacramento online bid portal at: <http://www.planetbids.com/portal/portal.cfm?CompanyID=15300>

Written response to questions will be provided as an addendum on the online bid portal.

NOTE: The City of Sacramento reserves the right to modify the dates listed at its sole discretion. Prospective proposers will be notified of any significant schedule changes by addendum issued via the City of Sacramento online bid portal: PlanetBids.

5. Scope of Service

The City of Sacramento seeks a firm that will provide the following services:

Complete a performance audit of the Sacramento Housing and Redevelopment Agency. The audit shall be conducted in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed in a manner that obtains sufficient, appropriate evidence to provide a reasonable basis for all findings and conclusions based on the audit objectives.

The audit shall be an objective assessment of the structure and operations of SHRA as it relates to the formation of affiliated non-profit entities and the partnerships of such entities with affordable housing developers. The audit will also assess the appropriateness of SHRA's practices in evaluating and issuing loans and grants for affordable housing projects which compete for tax credits and other discretionary funding programs.

The Audit will include an overall best practices comparison on how similar agencies operate, including a review of performance measures.

The scope of the audit will include the following key areas:

--ENTITY STRUCTURE AND FORMATION--

Evaluate the structure of the SHRA in relation to and including the formation of non-profit agencies such as the Sacramento Housing Authority Repositioning Program (SHARP). Are there sufficient protocols and practices so that the entities are independent or are there dual roles that present actual or potential conflicts of interest? Do these entities and dual staff have overlapping authority over City Housing Authority assets and program management and allocation of City affordable housing funds that may create competing interests? Is there clear separation between the responsibilities of each entity? Does the City Council have adequate oversight of SHRA's programs and projects which involve its related non-profit entities?

Evaluate the formation of SHARP, its articles of incorporation and bylaws, the composition of the SHARP board, its rules of procedure, and financial conflict of interest reporting requirements. Does the operations of this entity have adequate independence from SHRA and the City Housing Authority to limit liabilities?

--GOVERNANCE--

Review the purpose of the SHRA Commission and determine if it is acting within the scope of its delegated authority as it relates to non-profit entities. Is the SHRA Commission composition still appropriate? Is the SHRA Commission appropriately carrying out the directions of the joint powers authorities (i.e. the City and County of Sacramento)?

Evaluate SHRA practices in selecting which projects to pursue. Is SHRA properly obtaining the necessary approvals of the City Council as the board of the City Housing Authority and the City of Sacramento? Does the JPA agreement need to include oversight of the operations of SHRA's affiliated non-profit entities?

--ASSETS/DISPOSITION ACTIVITIES & PROCESSES--

Evaluate the reasonableness of the appraisals of Housing Authority assets to be transferred to SHARP and repayment requirements. Is the funding allocation for SHARP projects in compliance with the applicable program regulations and guidelines? Are controls in place to ensure that the project cost assumptions and appraisal values are not over or understated?

Assess the reasonableness of hard and soft costs, developer fees, and financing costs associated with projects like Sierra Vista and Sutterview Apartments. Are the sources and uses of funds appropriate industry practices? Are the fees and costs comparable to those paid by similar agencies for similar projects? Is the SHRA using the most cost-effective methods to finance and develop rehabilitation of City Housing Authority assets? Are low income housing recipients best served by the methods used by SHRA when valuing Housing Authority assets?

Evaluate SHRA's controls over construction monitoring of projects developed through non-profit entities. Does the agency have sufficient controls in place to ensure unnecessary or unreasonable upgrades do not occur? Are project costs supported by documentation? Are projects completed within the budgeted amount? Do completed projects generate the anticipated revenue? Are local hire requirements being met where applicable?

--FINANCIAL COMPLIANCE--

Determine if SHRA has adequate controls in place to ensure it is administering funds in accordance with the terms of grants and that funds are used only for eligible purposes. Are funds acquired for specific grants being used in accordance with its intended purposes?

Review SHRA's practices when competing with outside developers under mortgage revenue bonds, grants, loans and tax credit applications. Are project applications reviewed and financing award decisions or recommendations made by SHRA staff for other developer projects appropriate, especially with regard to tax credit applications submitted to the State Tax Credit Allocation Committee?

--WORK PRODUCT--

The audit will result in a written report that includes an Introduction, Background, Scope and Methodology, Findings and Recommendations, and the Agency's written response to the report. The Consultant will be available to present the report before the City's Audit Committee and/or the City Council.

6. Proposal Requirements

Proposals must be submitted to: Jorge Oseguera
Office of the City Auditor
915 I Street, Historic City Hall, 2nd Floor
Sacramento, CA 95814

Please complete and submit by: 10/20/2014

Proposals must be submitted in accordance with the requirements set forth in this RFP. These requirements were developed to standardize the preparation of proposals for the Performance Audit of SHRA. The purpose of these guidelines is to help assure consistency in format and content of proposals submitted to the City. This process will reduce the time required to prepare a proposal and will simplify the review process by City staff.

Please submit the following required information, in the same order as listed below. Please be as concise as possible while still providing the necessary details to allow the selection panel to adequately evaluate your proposal.

Transmittal Letter: The proposal should be signed by an officer authorized to bind the proposing firm. Please include the official name of the firm submitting the proposal, mailing address, e-mail address, telephone number, fax number, contact name, the state in which the firm is headquartered and whether the firm will be using any subcontractors. The transmittal letter must also acknowledge any addendums provided on PlanetBids.

Project Approach: Describe how your firm will approach the project, showing that you understand the objectives and requirements of the project. Include the methodology, approach, and techniques to be used in evaluating the SHRA's activities. Identify any assumptions related to the proposal, such as use of City office space, access to City staff, etc.

Work Plan and Project Schedule: Provide a work plan and timeline for the project, including when information is needed from the City and the proposed meeting dates. The project will be completed and deployed no later than June 31, 2015.

Project Team: Identify the key individuals, including consultants and sub-consultants, proposed to comprise the team, along with their qualifications and experience as related to the project. Types and locations of similar work performed by the proposed team in the last five years that best characterizes the quality and past performance of the project manager and team should be included in resumes. The responsibilities of key team members, an organization chart, and how the team will interact should be detailed. The proposer shall indicate availability of specific staff to work on this project including: the head office location, location at which the work will be performed, accessibility of the assigned staff, and hours of availability, especially the project manager.

References: Provide the names, addresses, and phone numbers for a minimum of three (3) references for whom the firm has done similar projects.

Conflicts of Interest: Describe any potential conflicts of interest that your firm may have regarding the project. The consultant shall disclose any financial, business, or other relationship with the City that may have an impact upon the outcome of this contract. The proposer shall also list current clients who may have a financial interest in the outcome of this contract.

Insurance Coverage: The proposer shall provide a summary of the firm's insurance coverage for Comprehensive General Liability Insurance, Professional Errors and Omissions Insurance, Automotive Liability Insurance, and Worker's Compensation Insurance. For additional information regarding insurance requirements, see the Professional Services Agreement.

Litigation: List any lawsuit or litigation and its outcome resulting from any public agency project undertaken by your firm within the last 5 years or any project where a claim or settlement was paid by your firm or its insurers within the last 5 years.

Cost: The proposer shall provide a cost proposal for this project.

Complete and sign the Proposal Signature Form (Attachment 1)

Complete the Local Business Enterprise (LBE) Participation Program Form (Attachment 2)
The submission of a proposal shall be deemed a representation and certification that your firm:
Additional proposal requirements go here:

7. Evaluation Criteria

The City will validate and evaluate all proposals received. All requirements identified in this RFP must be satisfied in order to ensure that a proposal will qualify for consideration.

Evaluation categories and points will be as follows:

Proposal Evaluation Criteria	Points
Qualifications and Experience including: Demonstrated experience in similar projects; business and technical reputation and capabilities, and where applicable, the experience of its personnel, financial stability and track record; project resources, skills, knowledge, and previous experience. HUD experience is preferable.	40
Project Plan and Schedule including: Proposed plan of approach and work schedule; the ability to conduct the audit in accordance with generally accepted government auditing standards; proposed methodology for coordinating with City staff; and quality of submission.	20
References	10
Cost Proposal	30
LBE PREFERENCE	5
Total :	105

At the completion of the evaluation, a total point value will be compiled for each proposal. The award recommendation(s), if any, will not necessarily be based on the lowest prices proposed or on the point values assigned.

LBE Five Percent (5%) Proposal Evaluation Preference: (See Attachment 2)

Rejection of Proposals:

The City of Sacramento reserves the right to reject any and all proposals received in response to this request, or to negotiate separately with any source whatsoever in any manner necessary to serve the best interests of the City. The City of Sacramento may at its discretion determine not to award a contract solely on the basis of this request for proposals and will not pay for the information solicited or obtained. The information obtained will be used in determining the proposal or proposals that best meets the City's needs.

It is recognized that each Proposer may have developed unique and typical methods of service delivery. It is not the City's intention to disqualify a Proposer due to variations in service delivery that do not adversely affect quality and performance. Any proposal offering services equivalent to or of better quality and performance than that requested, which provides the necessary service, will receive full consideration for award.

Withdrawal of Proposals:

Unauthorized conditions, limitations, or provisions attached to a proposal may be cause for its rejection. No oral, telegraphic or telephonic proposals or modifications will be considered. The proposal may be withdrawn upon request by the Proposer without prejudice to the Proposer prior to, but not after the time fixed for opening of proposals, provided that the request for withdrawal is in writing, has been executed by the Proposer or the proposal's duly authorized representative, and has been filed with the City.

Contract Negotiations

Contract negotiations may be undertaken simultaneously during the evaluation of proposals with the finalist(s) as determined by the City. The City will not accept any changes to the standard agreement.

8. Acceptance of Proposal

The contents of the proposal of the successful Proposer will become contractual obligations to be contained in a formal written agreement. Failure of successful Proposer to accept these obligations in a formal agreement may result in cancellation of the award.

Addenda and Supplements to RFP

If it becomes necessary to revise any part of the RFP, an addendum to the RFP will be provided to all known prospective proposers via the City of Sacramento's online bid portal PlanetBids.

<http://www.planetbids.com/portal/portal.cfm?CompanyID=15300>

Contractor Responsibilities

The Contractor must commit a professional staff and an experienced Project Manager who will be responsible for coordinating the services with the City. Service shall be the best of its respective kind. All professionals shall be skilled, knowledgeable, and successfully experienced in all aspects of providing the required services.

Licenses

The Contractor shall be required to obtain any necessary licenses and shall comply with all Federal, State and local laws, codes and ordinances without cost to the City.

Non-Waiver of Defaults

Any failure by the City to enforce or require the strict keeping and performance of any of the terms and conditions of the contract, shall not constitute a waiver of such terms and conditions, nor shall it affect or impair the right of the City to avail itself of such remedies as it may have for any breach of the terms and conditions.

Business Operations Tax Certificate

Chapter 3.08 of the Sacramento City Code requires that anyone conducting business in the City of Sacramento obtain a Business Operations Tax Certificate and pay the applicable tax if necessary. The successful Proposer, and any subcontractors, will be required to show compliance with this requirement prior to award of the contract.

Information about the Business Operations Tax Certificate may be obtained the City of Sacramento, Revenue Division, 915 I Street, New City Hall First Floor, Sacramento, CA 95814, or by telephone at (916) 808-8500.

Contractual Obligations

The standard City of Sacramento Professional Services Agreement includes, but is not limited to, the requirements shown in the attached sample contract. Proposer should review the contract and indicate in the proposal the extent to which Proposer can and is willing to comply with each and every provision of the attached contract. This Request for Proposal together with Proposal's response shall be incorporated into the final contract.

Professional Services Agreement

The proposer(s) recommended for this award will be required to sign the Professional Services Agreement. The Agreement can be found at the following URL:

<http://portal.cityofsacramento.org/~media/Files/Finance/Procurement/standard-agreements/Prof-Serv-Agrmt-over-25k-internet.ashx>

Proposers are responsible for reading and understanding the attached Professional Services Agreement's requirements, terms and conditions prior to submitting their bids.

9. General Information:

Proposals may be withdrawn or modified before the due date of submission for proposals by delivering a written and signed request by the due date. A request for modification of the proposal after the due date will not be considered, including a representation that the proposer was not fully informed regarding any information pertinent to the proposal or the offer. The City shall not be responsible for or bound by any oral instructions, interpretations or information provided by the City or its employees other than the RFP contact.

The City reserves the right to reject any or all proposals submitted, correct any technical errors in the RFP process, waive any irregularities in any proposal, negotiate with any of the proposers, accept other than the lowest fee offer, or enter into a subsequent agreement with another proposer if the originally selected proposer fails to execute its agreement with the City.

Any agreement shall not be binding unless it is executed by authorized representatives of the City and the selected proposer. Proposing firms are solely responsible for any expenses incurred in preparing their proposals in response to this RFP.

Proposals should be prepared simply and economically, providing straightforward, concise delineation of the firm's capabilities to satisfy the requirements of this RFP. The emphasis should be on completeness and clarity of content. To expedite proposal evaluations, it is essential that specifications and instructions contained in the proposal instructions are followed as outlined.

Proposals received are public records that will be disclosed upon request. All material submitted that has not been clearly designated in the proposal itself as proprietary information becomes the property of the City. Proposals submitted become the property of the City and may be reviewed and evaluated by any persons at the discretion of the City.

If you have any questions regarding form and content of your proposal per this RFP, please send your questions via the City's online bid portal : PlanetBids.

RFP submittals missing acknowledgement of any addendum or information requested in this RFP shall be considered non-responsive and the firm will be eliminated from evaluation.

Any/all respondents responding to this RFP do so entirely at their expense. There is no expressed or implied obligation by the City to reimburse any individual or firm for any costs incurred in preparing or submitting responses, for providing additional information when requested by the City or for participating in any selection demonstrations or interviews, including pre-contract negotiations and contract negotiations.

This RFP does not commit the City to award a contract, to pay any costs incurred in the preparation of a proposal for this request, or to procure or contract for services. The City reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified proposer or to modify or cancel in part or in its entirety the RFP if it is in the best interests of the City to do so.

The City has a Local Business Enterprise (LBE) participation program for this procurement. Please refer to Attachment 2 for information about the LBE preference program.

The City reserves the right to decide that one proposer is more responsive than the others and to select that proposal based on review of the proposal only.

The City reserves the right to reject individual firm members, firms, and subcontractors and request substitution without indicating any reason.

All proposers must be prepared, if awarded a contract, to have or obtain a current Business Operations Tax Certificate from the City of Sacramento.

A proposal is late if received at any time after the required submittal date and time. A proposal received after the specified time will not be considered and will be returned to the proposer.

ATTACHMENT 1

PROPOSAL SIGNATURE

All proposers must complete and sign this section. Failure to complete and sign this section may result in rejection of the proposal.

Name of Proposer: _____

Business Address: _____
(Street) (City) (State) (Zip Code)

Telephone: _____ **Fax:** _____

Type of Business:

- Corporation
- Partnership
- Individual doing business under own name
- Individual doing business using a firm name
- Joint Venture (Attach Joint Venture Agreement)

Federal Tax I.D. Number: _____

City of Sacramento Business Operations Tax Number: _____

*Mandatory only if recommended for contract award.

Signature: _____ **Date Signed:** _____

Name & Title: _____

LOCAL BUSINESS ENTERPRISE (LBE) PARTICIPATION PROGRAM

NOTE: Proposers must provide responses to the following items. Failure to provide a response to each of the items in this section may be grounds for rejection of the proposal.

1. LBE FIVE PERCENT (5%) PARTICIPATION

On April 3, 2012, the Sacramento City Council adopted a Local Business Enterprise (LBE) Preference Program to provide enhanced opportunities for the participation of local business enterprises (LBEs) in the City's contracting and procurement activities. On November 19, 2013, City Council increased the LBE preference and authorized City departments to require minimum LBE participation levels in individual contracts. Under City Code section 3.60.270 , when the bid specifications for a City contract establish a minimum participation level for LBEs, no bidder on the contract shall be considered responsive unless its bid meets the minimum LBE participation level required by the bid specifications.

The City has established a minimum 5% participation level for LBEs on this contract. Pursuant to City Code Section 3.60.270, no bidder on this contract shall be considered responsive unless its bid meets or exceeds this minimum participation level.

Local Business Enterprise means a business enterprise, including but not limited to, a sole proprietorship, partnership, limited liability company, corporation, or other business entity that has a legitimate business presence in the city or unincorporated county of Sacramento. Evidence of legitimate business presence in the city or unincorporated county of Sacramento shall include:

1. Having a current City of Sacramento Business Operation Tax or County of Sacramento Business License for at least twelve (12) consecutive months prior to submission of bid; and
2. Having either of the following types of offices or workspace operating legally within the city or unincorporated county of Sacramento for at least twelve (12) consecutive months prior to submission of bid:
 - a. The LBE's principle business office or workspace; or
 - b. The LBE's regional, branch or satellite office with at least one full time employee located in the city or unincorporated county of Sacramento.

A. LOCAL BUSINESS ENTERPRISE (LBE)

Is the firm submitting the bid qualified as a local business enterprise? Check the appropriate box below:

YES - the firm submitting the bid is qualified as a local business enterprise.

NO - the firm submitting the bid is not qualified as a local business enterprise.

If the response to the above is YES, provide the City of Sacramento Business Operations Tax Certificate Number and/or County of Sacramento Business License Number:

If the response to the above is YES, provide a current copy of the City of Sacramento Business Operations Tax Certificate and/or County of Sacramento Business License.

If the response to the above is YES, provide business office or workspace address*:

* Address must be a physical address for the basis of location, this excludes P.O. Box addresses.



**Local Business Enterprise (LBE)
Participation Verification Form
Professional and Nonprofessional Service Agreements of \$100,000 or More**

**THIS FORM MUST BE SUBMITTED WITH THE PROPOSAL OR BID
IF A SEPARATE SEALED COST ESTIMATE IS REQUIRED, THIS FORM MUST BE INCLUDED WITH THE SEALED COST ESTIMATE**

To be eligible for this agreement, the proposer or bidder shall list below all the business entities used to attain the 5% LBE participation requirement. Estimated dollar values shall be provided for all work / services listed. The failure to attain the 5% LBE participation or the inclusion of false information or the omission of required information will render the proposal or bid non-responsive.

Proposer/Bidder Name: _____ Proposal/Bid Amount: _____ Is the Proposer/Bidder a LBE? Yes ___ No ___

LBE Business Entity Name and Address (subject to verification)	Description of Work or Services to be provided	Estimated Dollar Value of Work or Services

The Proposer/Bidder hereby certifies that each business entity listed on this LBE Participation Verification Form has been notified that it has been listed and has consented in writing to its name being submitted for this proposal or bid. The Proposer/Bidder also certifies that it will notify each business entity listed on this Form in writing if the agreement is awarded to the Proposer/Bidder, and will make all documentation relevant to the listed business entities and LBE participation available to the City of Sacramento upon request. The Proposer/Bidder further certifies that all of the information contained in this Form is true and correct and acknowledges that the City will rely on the accuracy of this information in awarding the agreement.

COPY AND ATTACH ADDITIONAL SHEETS AS NECESSARY

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LOCAL BUSINESS ENTERPRISE (LBE) PREFERENCE PROGRAM REQUIREMENTS

(City Contracts, no Federal Funds Used)

I. LBE PREFERENCE PROGRAM

On April 3, 2012, the Sacramento City Council adopted a Local Business Enterprise (LBE) Preference Program to provide enhanced opportunities for the participation of local business enterprises (LBEs) in the City's contracting and procurement activities. On November 19, 2013, City Council increased the LBE preference.

The LBE Program provides for a **five percent (5%) preference** on all City procurement opportunities under \$100,000. For professional service contracts only, this preference also applies to procurement opportunities of \$100,000 or more.

A bid or quotation submitted by a firm that is located within Sacramento city and/or the unincorporated county of Sacramento will receive a five percent (5%) bid evaluation preference for the purpose of determining the lowest responsible bidder. If, after applying the 5% bid evaluation preference, the bid of an LBE firm receiving such preference is determined to be the lowest responsible bid, the award will be made for the actual amount bid.

Bidders shall submit proof to the City demonstrating that the business is in compliance with all applicable laws relating to licensing and is not delinquent on any City of Sacramento or County of Sacramento taxes, permits, or fees.

II. LBE QUALIFICATION

- A. A LBE designated in the bid must be qualified as a LBE prior to the time set for submission of bids.
- B. Local Business Enterprise means a business enterprise, including but not limited to, a sole proprietorship, partnership, limited liability company, corporation, or other business entity that has a legitimate business presence in the city or unincorporated county of Sacramento. Proof of legitimate business presence in the city or unincorporated county of Sacramento shall include:
 - 1. Having a current City of Sacramento Business Operation Tax or County of Sacramento Business License for at least twelve (12) consecutive months prior to submission of bid; and
 - 2. Having either of the following types of offices or workspace operating legally within the city or unincorporated county of Sacramento for at least twelve (12) consecutive months prior to submission of bid:
 - a. The LBE's principle business office or workspace; or
 - b. The LBE's regional, branch or satellite office with at least one full time employee located in the city or unincorporated county of Sacramento.
- C. A LBE must provide a physical address for the basis of location. This excludes P.O. Box addresses.

- D. A LBE must provide a current copy of the City of Sacramento Business Operations Tax Certificate and/or County of Sacramento Business License.

III. APPLICATION OF LBE PREFERENCE

- A. When applying the LBE preference to a Bid, the preference shall apply to the Bid price solely for Bid evaluation purposes such that the total price bid by a Local Business shall be reduced by five percent (5%) of the amount bid by that Local Business, and the reduced Bid amount shall be deemed the amount bid by that bidder. The Contract price shall in all events be the amount Bid by the successful bidder awarded the Contract.
- B. When applying the LBE preference to a Proposal, the preference shall apply in the form of additional points to the Proposal's final score such that the score awarded to a Proposal submitted by a Local Business is increased by five percent (5%) of the total possible evaluation points.
- C. The LBE preference shall apply to all City procurement opportunities under \$100,000 and professional service contracts of \$100,000 or more

IV. DEFINITIONS

- A. Local Business Enterprise (LBE): A business enterprise, including but not limited to, a sole proprietorship, partnership, limited liability company, corporation, or any other business entity that has a legitimate business presence in the city or unincorporated county of Sacramento.
- B. Proposal: Any response to a City solicitation for Proposals or Qualifications.
- C. Bid: Any response to a City solicitation for bids.