

PART II: PROGRAM INCENTIVES

Bid Discounts and Preference Points

Incentives are earned based on the level of participation proposed prior to the award of a contract. Bid discounts are applied at a rate of one percent (1%) or one (1) preference point for every 10% of contract dollars attributable to certified firms. No more than five percent (5%) in bid discounts or five (5) preference points may be earned.

| Level of L/SLBE Participation Achieved | | Bid Discounts To Be Awarded to Contractors (Construction) | Preference Points to be Awarded to Consultants (Professional Services) |
|--|----------------------|---|--|
| 50% | 25% LBE and 25% SLBE | 2% | 2 pts |
| 60% | 30% LBE and 30% SLBE | 3% | 3 pts |
| 70% | 35% LBE and 35% SLBE | 4% | 4 pts |
| 80% | 40% LBE and 40% SLBE | 5% | 5 pts |

In those instances where VSLBE participation is evident, the value of preference points and bid discounts associated with VSLBE participation will be double-counted towards meeting the requirement.

Request for Proposal (RFP) and Request for Qualifications (RFQ) Preference Points for Local Hire or Non-Construction Contracts

Earning extra preference points for having an existing work force that includes Oakland residents is considered added value. The Request for Proposal “evaluation” process allows for additional preference points over and above the number of points earned for technical expertise. Typically 100 points may be earned for the technical elements of the RFP. Preference points are awarded over and above the potential 100 points. Staff recommends awarding preference points for an Oakland workforce according to the percentage of Oakland residents as follows:

| Years in Oakland | | Oakland Resident Workforce | |
|------------------|-------------------|----------------------------|-------------------|
| Years in Oakland | Additional Points | Workforce | Additional Points |
| 5 yrs | .50 pt | Up to 24% | 1.00 pt |
| 10 yrs | 1.00 pt | 25%- 49% | 2.00 pts |
| 15 yrs | 1.50 pts | 50% -74% | 3.00 pts |
| 20 yrs | 2.00 pts | 75%-99% | 4.00 pts |
| 25 yrs | 2.50 pts | 100% | 5.00 pts |

Given the above, local and non-local businesses may earn up to a maximum of 2.5 additional 5 preference points for having a workforce that is made up of Oakland residents and committing to Oakland new hires.