

2017 Local Business Utilization Report



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

***Presented by Shonda Scott, 360 Total Concept
V2***

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OAKLAND FIRST (VIDEO)



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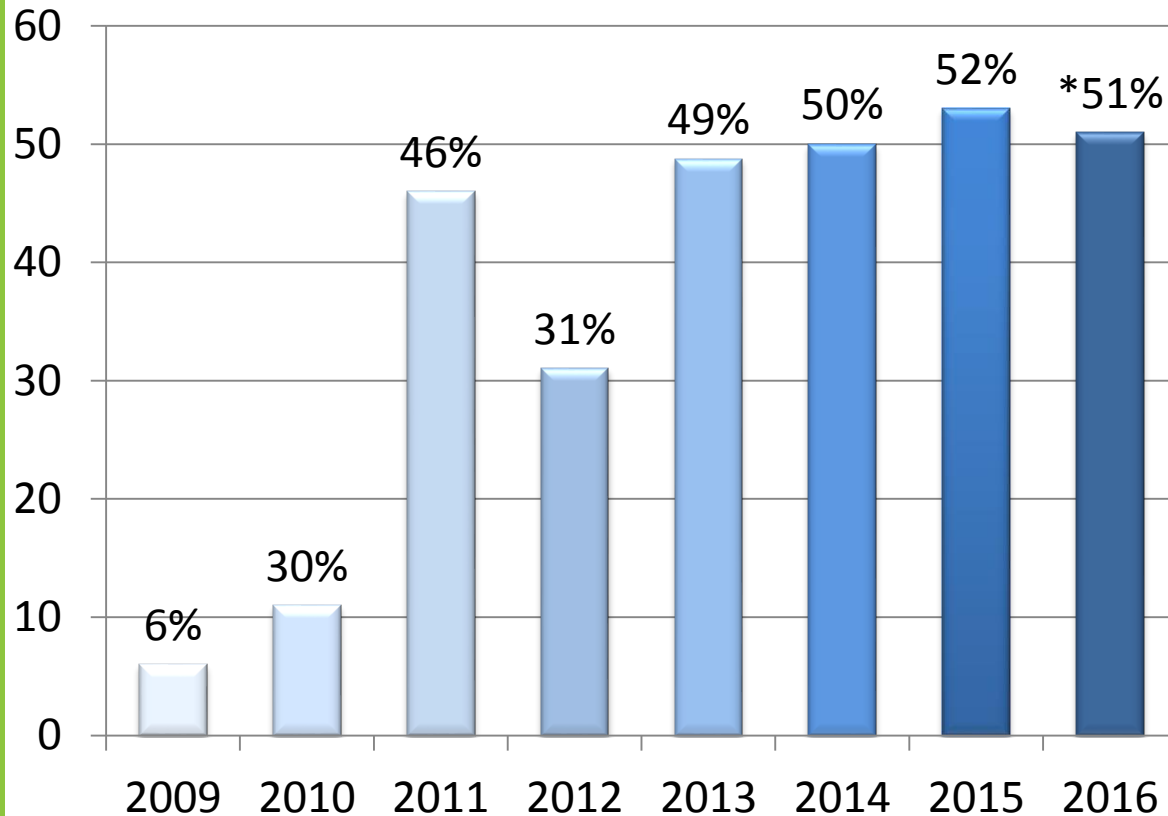
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In 2008, OUSD Board of Education passed its first Local/Small Local Business Policy establishing that all District contracts had 20% local business utilization (LBU) requirements.

In 2014, Board amended policy to increase LBU on Capital Program to 50% requirement of all contracts.



Capital Program Local Business Utilization (Cumulative) Local Business Utilization Trend (CY)



*Upon completion of the projects in construction for the year of 2016, the local business participation will be 58%.



360 Total Concept
(Team 360) is
District's contract
compliance team
overseeing local
business program
to ensure policy
requirements as
met.

Importance of Monitoring

- ❖ Monitoring Component helps to ensure Program goals are met
- ❖ Compliance team tracks monthly contract dollars spent
- ❖ Monthly reports verify that contracts are in compliance with Local Business Policy
- ❖ Implement Oakland First Campaign

Local Business Definitions



LBU Type	Definition
Local Business (LBE)	An Oakland business (a) with a substantial presence in the District’s geographic boundaries (b) fully operational for 12 consecutive months and (c) a valid business tax certificate.
Small, Local Business (SLBE)	A business that (a) meets the Size Standard set by the District for small businesses; (b) is an independent business headquartered in the District’s geographical boundaries; (c) has a substantial presence within the District’s geographic boundaries; (d) is a full operation conducting business for at least 12 consecutive months; and (e) holds a valid business tax certificate.
Small, Local Resident Business (SLRBE)	A business that (a) meets the Size Standard set by the District for small businesses; (b) is an independent business headquartered in the District’s geographical boundaries; (c) is wholly owned and operated by persons whose principal place of residence is located within the boundaries of District’s geographical boundaries; (d) is a full operation conducting business for at least 12 consecutive months; and (e) holds a valid business tax certificate.

In 2016, certified SLRBEs increased by 35%.

Team 360 certifies Small, Local Resident Businesses. These are the Oakland property, business owners whose taxes fund the Capital Program bonds.

This certification gives teams with SLRBEs additional preference points or bid discounts.

SLRBE Certification

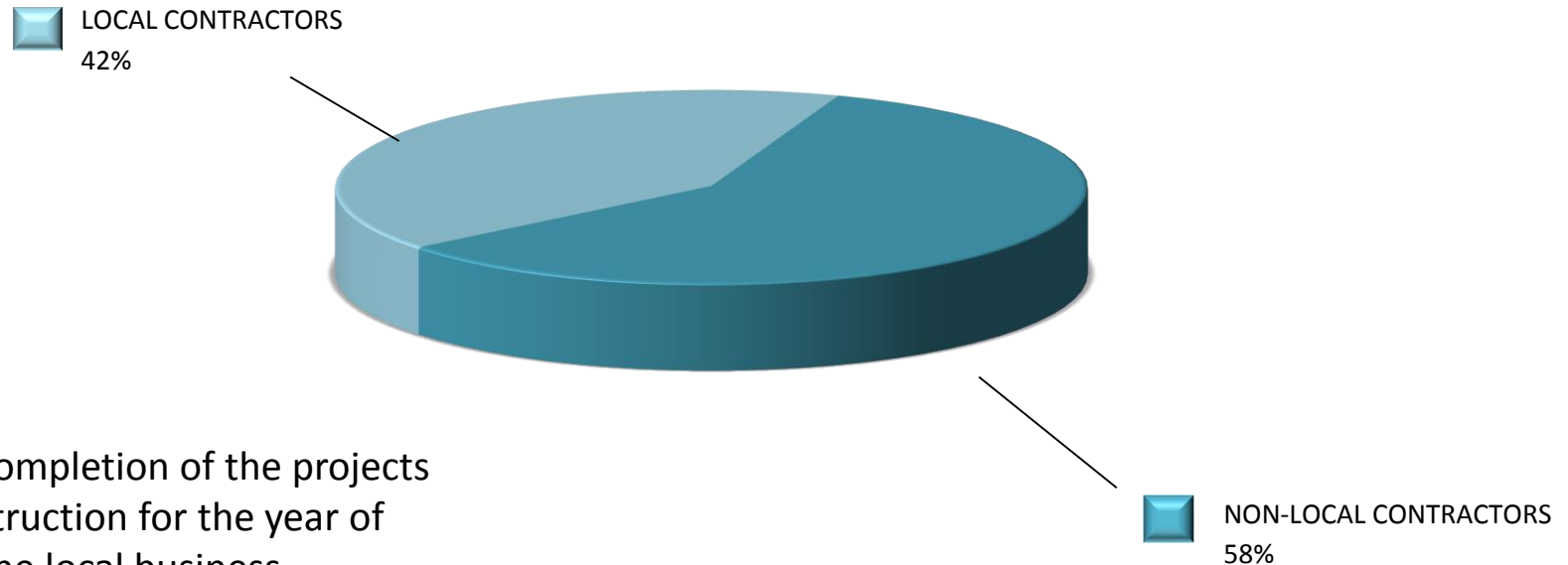


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Capital Program Local Business Utilization CY2016

ESTIMATED TOTAL CONTRACT DOLLARS (AS OF DECEMBER 2016): \$85,111,063
CURRENT TOTAL LBU CONTRACT DOLLARS: \$35,238,112

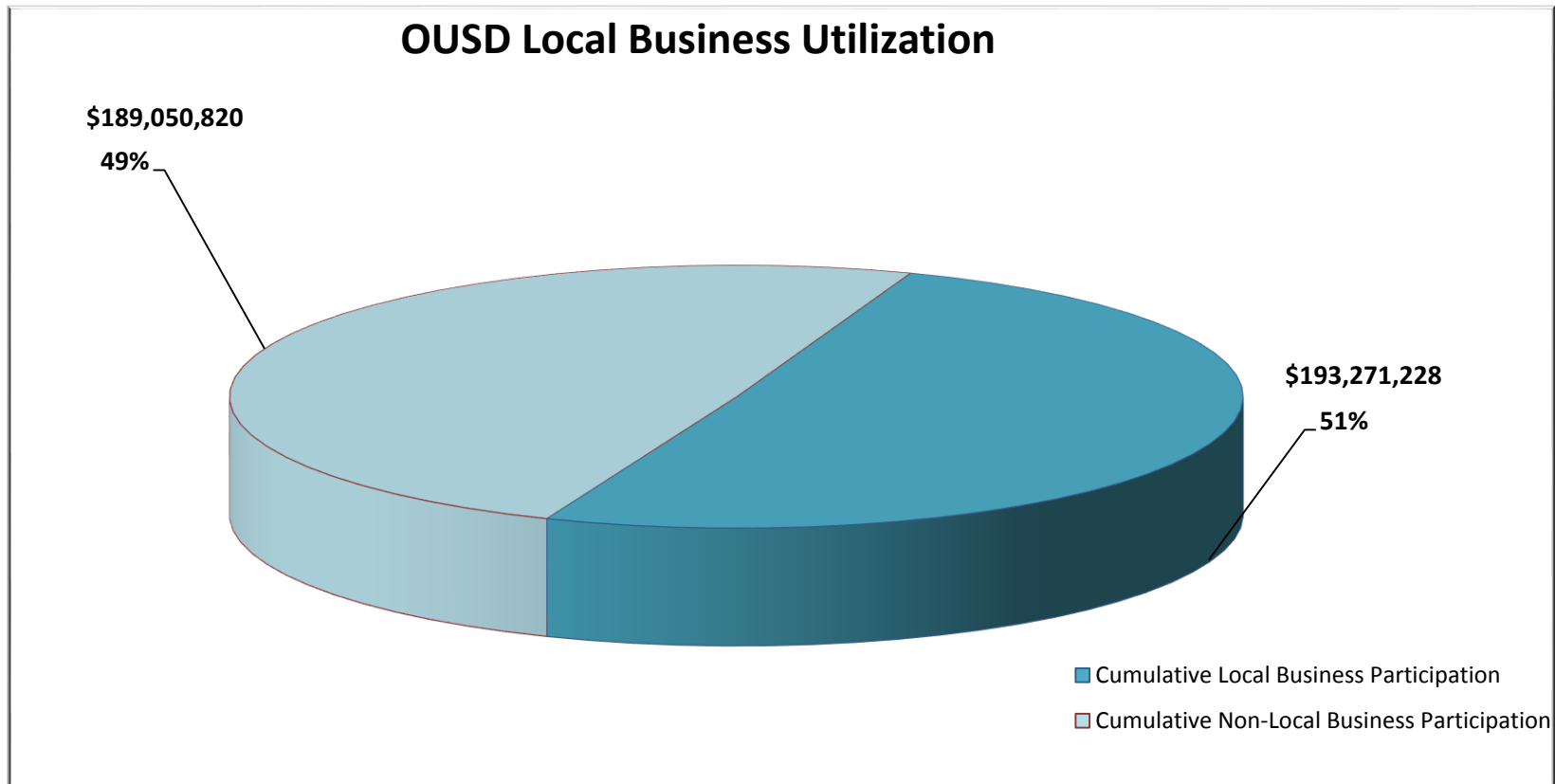


Upon completion of the projects in construction for the year of 2016, the local business participation will be 58%.

January - December 2016

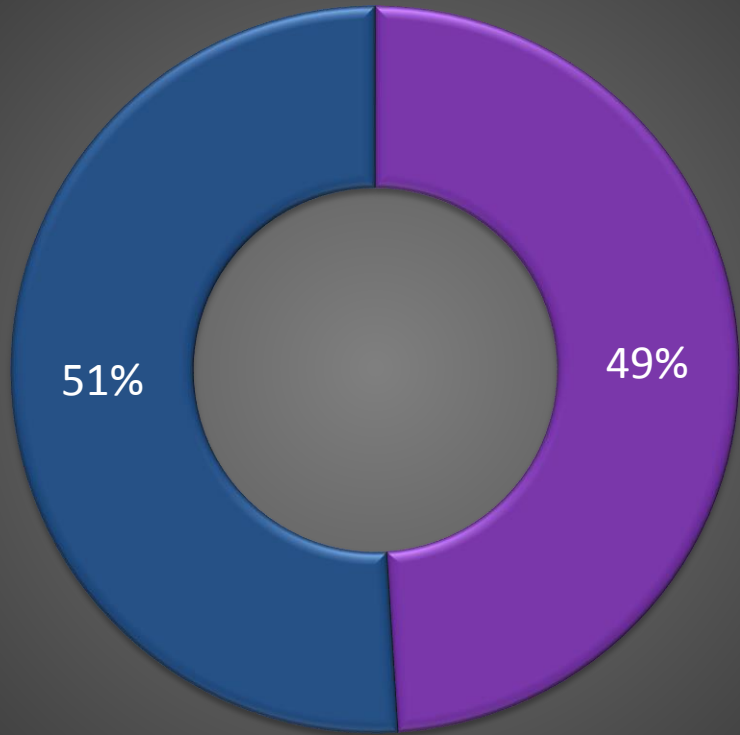
Capital Program Local Business Utilization (Cumulative)

CUMULATIVE TOTAL AWARDED CONTRACT AMOUNT: \$382,322,048
CUMULATIVE TOTAL LBU: \$193,271,228



Cumulative Local Business Utilization Break Down (by category)

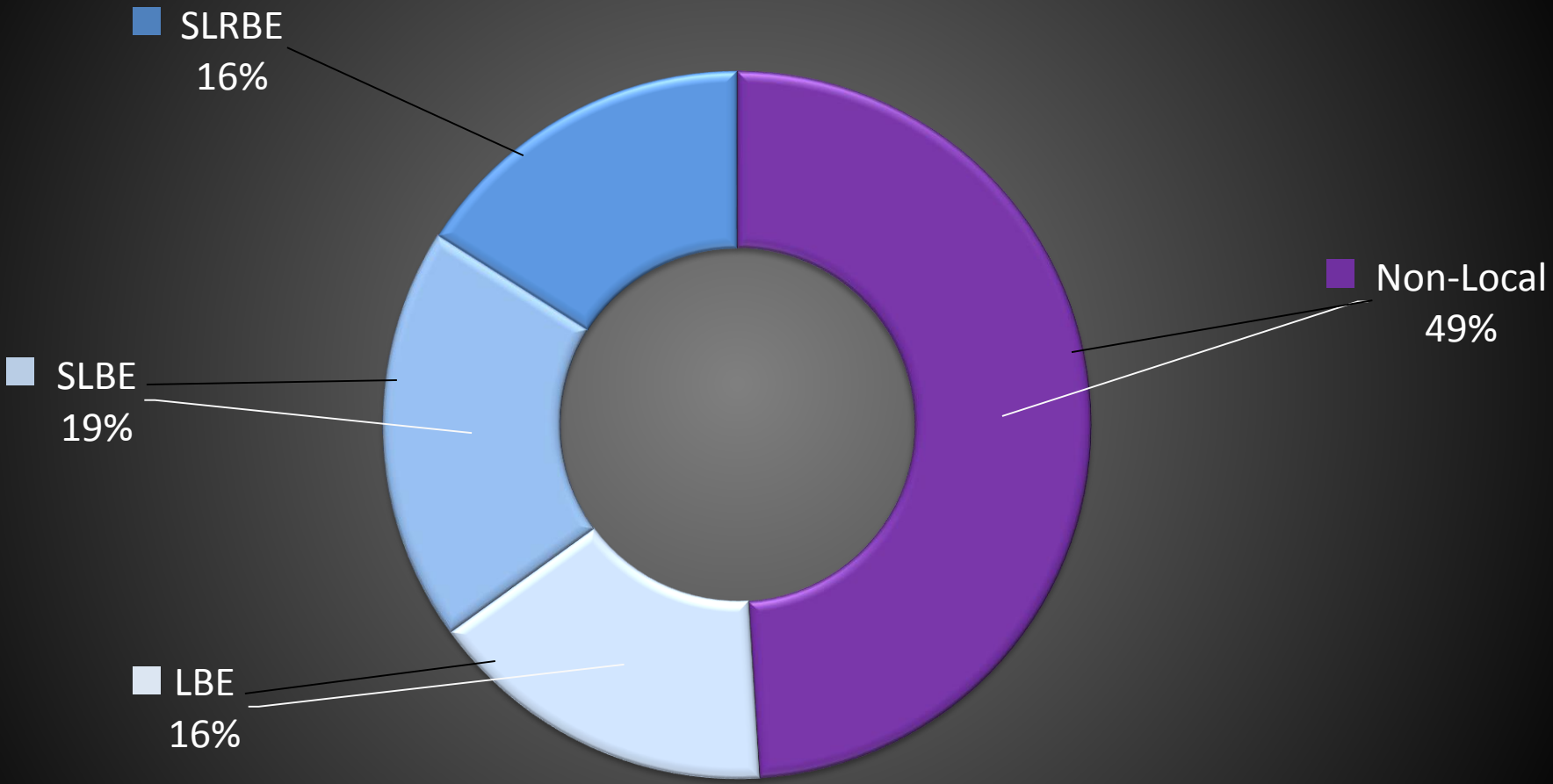
Overall LBU Participation Breakdown



■ Non-Local ■ Local

Cumulative Local Business Utilization Break Down (by category)

Overall LBU Participation Breakdown





LEASE-LEASE BACKS REPORT CARD

(Inaugural Projects)

Key Evaluation Factors

- ❖ **Local Business Participation** (LBU Compliance)
- ❖ **Project Constructability** (Facilities/Legal)
- ❖ **Schedule/Budget/Troubleshooting** (Facilities/Legal)
- ❖ **Team Partnership** (LBU Compliance/Legal/Facilities)
- ❖ **Overall Success of Project** (Facilities/Legal)

LEASE-LEASE BACKS REPORT CARD (Inaugural Projects)



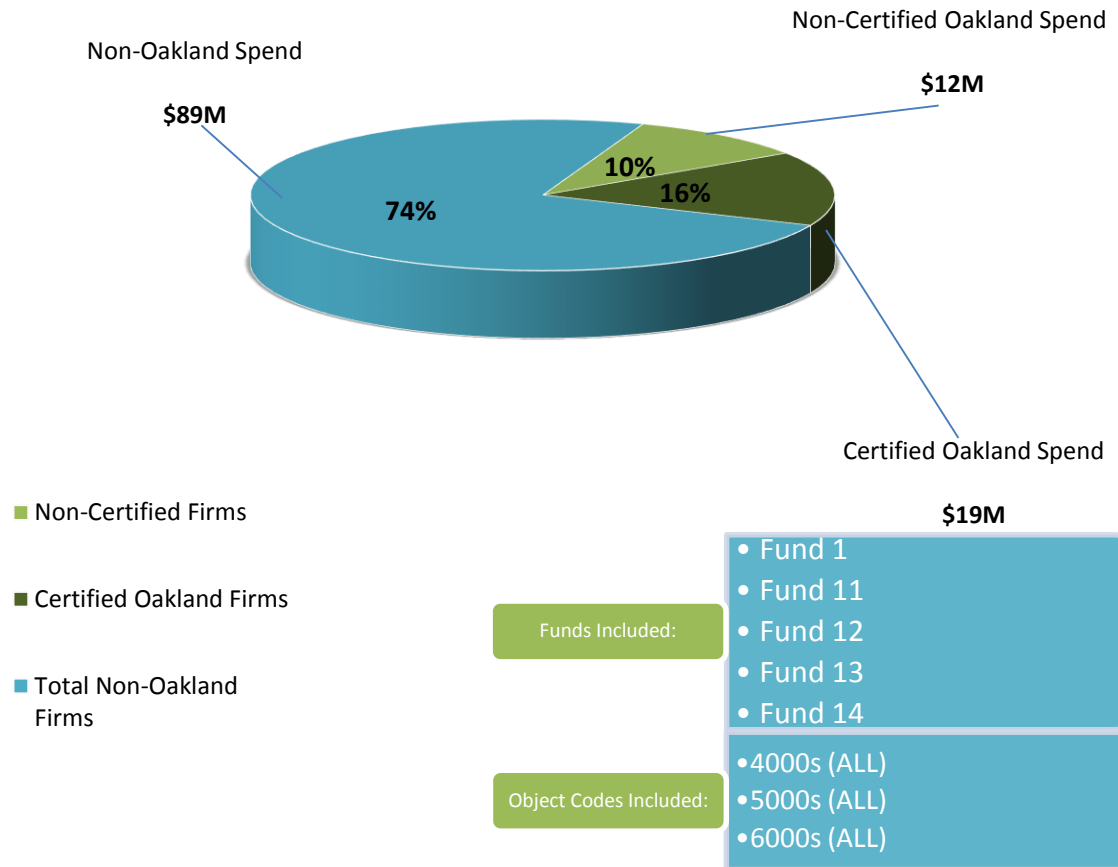
	Calvin Simmons Modernization & Career Tech Lab	CCPA at Havenscourt MS New Classrooms & Cafeteria	Greenleaf at Whittier Expansion - Phase 1	Highland New Classroom Building	La Escuelita Education Complex - Phase 1	La Escuelita Education Complex - Phase 2	Lowell MS Modernization & Health Center	Montclair New Classroom Building	Sankofa at Washington Modernization - Phase 1
JV Team	Focon/Cahill Construction	ADCO/Turner Group Const/Alten Construction	Focon/Cahill Construction	ADCO/TGC/Alten Construction	ADCO/Turner Construction	TGC/McCarthy	Focon/Arntz Builders	CAS Financial/West Bay Builders (dba Thompson Builders)	TGC /Overaa
Criteria	Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score	Weighted Score
Percentage of Work Performed by Local Business Enterprise (LBE)	0.2	0.15	0.2	0.2	0.2	0.2	0.2	0.15	0.15
Percentage of Work Performed by Small Local Business Enterprise (SLBE)	0.6	0.45	0.3	0.3	0.3	0.45	0.6	0.6	0.6
Percentage of Work Performed by Small Local Resident Business Enterprise (SLRBE)	1	0.75	1	1.25	0.25	0.5	1	0.5	1
This JV team met the 50% Local Business Participation Requirement	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5
This JV team exceeded the 50% Local Business Participation Requirement	1.8	1.35	1.35	1.35	0.45	1.35	1.35	0.45	1.8
Met Project's Original Budget	1	0.8	0.6	0.6	0.7	0.8	0.7	0.6	0.4
Project's Cost came close to the Project's Budget (within 5%)	0.7	0.8	0.6	0.6	0.7	0.8	0.7	0.6	0.4
Project's Cost came close to the Project's Budget (within 10%)	0.8	0.8	0.6	0.6	0.7	0.7	0.6	0.6	0.2
Quality of Parts/Products/Materials upon Delivery	0.8	0.8	0.8	0.6	0.6	0.8	0.6	0.8	0.6
Quality of Design completed to Specifications	0.8	0.8	0.8	0.4	0.6	0.8	0.6	0.8	0.6
How much work did Local JV partner do	0.9	0.9	0.9	0.9	0.6	1.2	0.6	0.45	0.3
How well was the work on the Lease-Leaseback disbursed among team	0.35	0.4	0.4	0.25	0.2	0.4	0.25	0.15	0.1
Did JV provide technical support	0.35	0.4	0.3	0.3	0.2	0.45	0.2	0.15	0.4
How well was the working relationship between JV team	0.35	0.4	0.4	0.2	0.2	0.5	0.3	0.1	0.4
Would you recommend this JV team for another OUSD project	1.6	1.6	1.6	1.2	0.8	2	1.6	0.4	0.4
How responsive was JV team to responding conflicts between subcontractors	1.4	1.8	1.6	1.2	1.2	1.8	1.4	0.8	0.4
How did JV team continue work with a dispute developed	1.2	1.2	1.35	0.9	0.6	1.35	0.9	0.6	0.6
With a critical deadline set by a District and a dispute developed, would the JV team continue to work	1.2	1.2	1.35	1.2	0.9	1.35	1.2	0.6	0.9
JV completed project on time	2	2	2	2	1.75	2	1.5	2	1.5
How flexible was the JV team	1.8	1.8	1.8	1.2	0.8	1.8	1.2	0.6	1.2
How much evaluation was done on the capacity of small local hire	0.25	0.3	0.3	0.3	0.2	0.3	0.3	0.2	0.1
Total Sum of Criteria 1-21	19.6	19.2	18.75	15.95	12.6	20.2	16.25	11.65	12.55
Final Score (percentage includes curve based on first-round Lease-Leaseback projects)	87.6%	86.8%	85.0%	73.8%	60.0%	90.8%	75.0%	56.6%	60.2%
Final Grade	B+	B+	B	C-	D-	A-	C	F	D-

It is the District's goal to have Procurement under same 50% requirement as the Capital Program.

Team 360 worked with the Procurement team to create a culture of "Oakland First" modeled after Facilities success, as a way to increase LBU.

Team 360 created a campaign to brief department leads on Local Business Program and importance of spending District money with local community.

**Breakdown of Total Spend
Non-Capital Program
Fiscal Year July 2015-July 2016
Total Procurement Spending: \$120M**



DEPARTMENT HEADS/ADMINISTRATIVE BRIEFINGS LOCAL BUSINESS OUTREACH (Internal)



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As part of the internal Oakland First educational campaign on the importance of thinking Oakland first when spending District dollars, Team 360 briefed Department Leads, and District-wide Clerical Staff



OUSD CERTIFICATION WORKSHOP LOCAL BUSINESS OUTREACH (External)



Team360 Partnering with OUSD Procurement to Increase Certified Local Businesses

- ❖ Two on site certification workshops
- ❖ Ongoing Collaboration OUSD, City of Oakland
- ❖ 10-15 Companies in Attendance (per session)



DOING BUSINESS WITH OUSD LOCAL BUSINESS OUTREACH (External)



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*Team360 Partners with OUSD Facilities
to Provide Business Community with
Project Update:*

- ❖ 73 Attendees
- ❖ 52 Businesses
- ❖ Construction & Professional Service Firms
- ❖ Collaboration with OUSD & City of Oakland





LEGISLATIVE BUS TOUR

Team360 partners with OUSD to host Legislative Bus Tours for local leaders to see first hand how voter-approved bond money is spent to improve schools for Oakland students

Fall 2016 (Newcomer Program)

- ❖ Oakland International
- ❖ Garfield Elementary
- ❖ Urban Promise Academy

Spring 2017 (Alternative Education)

- ❖ Greenleaf @ Whittier
- ❖ Rudsdale @ King Estates



LOCAL SPEND IMPACT BEYOND OUSD

the beginning of the funding application process.

District 2 City Council-member Abel Guillen also of-

Guillen said around 50 people attended the Chinatown



OAKLAND UNIFIED SCHOOL DISTRICT

Community Thrives Through Schools

Oakland School's Local Business Program Recognized as Best Practice to Stimulate Local Economy

By Katy St. Clair

Oaklanders love Oakland and have demonstrated this love to Oakland's schools by passing bond measures to fund modernization and new construction.

Recently, Measure J passed with 80 percent of the vote, designating \$475 million dollars to modernize school facilities.

Well, now Oakland residents have something else to be happy about. Over half of the businesses hired to update and modernize schools for the District are Oakland-based.

The district put "Oakland first" and adopted a "local business utilization" plan in order to



"This LBU program in Oakland schools has been so successful that a study by the Canadian "Democracy Collaborative" designated it in its "best practices" recommendation for communities seeking similar synergy."

-Katy St. Clair

La Escuelita Elementary School was one of the district's recently built construction projects.

maximize community involvement and growth. So far, the results have been good news for

schools, small businesses, and the local economy.

"Partnering with local busi-

nesses in Oakland is key to building a stronger district and a stronger community," said Dr. Devin Dillon, Interim Superintendent of Oakland Schools.

"Working together creates opportunity for our diverse populations to unite and benefit each other," she said. "It also supports our District-wide shared value of cultural responsiveness."

When the Board of Education passed its first Local Business Policy, after receiving local control back from the state, only 6 percent of the businesses being utilized were local.

Luckily the district had some help to boost that percentage.

Continued on Page 10

Source: The Oakland Post



Recommendations

- ❖ **Small Local Business Prime Set-Aside Contracts**
- ❖ **Convene Small Focus Groups (District & Local Businesses) to Update and Revise Local Business Policy**
 - Include Equity Principles
 - Clarify Board's Intentions for Policy Outcomes
- ❖ **Purchase Order Requisitions Include Company Demographics**
 - Local Required Fields
 - Track MBE/WBE Information

#LocalBusinessMatters



photo credit: Oakland Ed Fund



photo credit: Spotlight



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