



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students



Oakland Unified School District Local Business Utilization 2014 Annual Report



Overview

360 Total Concept submits this Annual Local Business Report as a recap of the Local Business Program's 2014 Success Stories. This report is comprised of data compiled from Capital Program LBU Monthly Monitoring Reports, antidotal information from OUSD contractors, and Reconciliation Payment information from Local/Small Local Contractors.

Highlighted in this report are the overall local business utilization numbers for projects ending in December 2014, which also includes 6 of the 8 Lease-Lease Back Projects that were completed during this time period, and other support services provided to ensure program's success.





The year 2014 was pivotal for the Oakland Unified School District's (OUSD) Local Business Program. In January 2014, the Board of Education increased the Local Business Utilization (LBU) on all OUSD Capital Program funded projects from 20% to 50%. By December 2014, the Capital Program had reached a milestone by achieving 50% LBU in less than a year, and exceeding 50% LBU, with as much as 70% on some of the projects procured under the Lease-Lease Back negotiated process.



Fall 2014 La Escuelita Education Center Legislative Tour

360 Total Concept, a Small Local Resident Business, independent entity that is OUSD's LBU Compliance team. In addition to monitoring, 360 partners with OUSD to coordinate legislative site tours. The tours are an opportunity for legislators to see how OUSD is spending voter-approved bond money. On October 3, 2014, the team hosted one of most successful, and well-attended legislative tours featuring the award winning, and zero-emission designed project, La Escuelita Education Center. Over 100 were in attendance, including State and Local Officials. During the tour, California High Performance Schools (CHPS) presented OUSD with the highest national award based on energy efficiency school designs.



DIR/Prequalification Technical Workshop

As part of the compliance, monitoring component, 360 facilitates technical assistance workshops for local businesses. In 2014 the workshops were: Elations Certified Payroll System, and new State requirements. In addition 360 and OUSD Facilities Department launched the first OUSD eSuccess Manual. The OUSD eSuccess Manual is a tool to guide businesses, especially small firms, to pathways of success on OUSD projects. The OUSD eSuccess Manual provides information from Best Practice tips to Prequalification to Payment Processing and more. These are ways to enhance the contractors' experience at OUSD and help build the capacity of OUSD's local business partners.



OUSD eSuccess Manual

California Energy Commissioner, and CHPS Executive noted that "Oakland set a national model with its design of La Escuelita" not only designing a site "Off-the-Grid" but also "Off-the-Charts" relative to design evaluation.



LOCAL BUSINESS PROGRAM CATEGORIES

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.



Capital Program

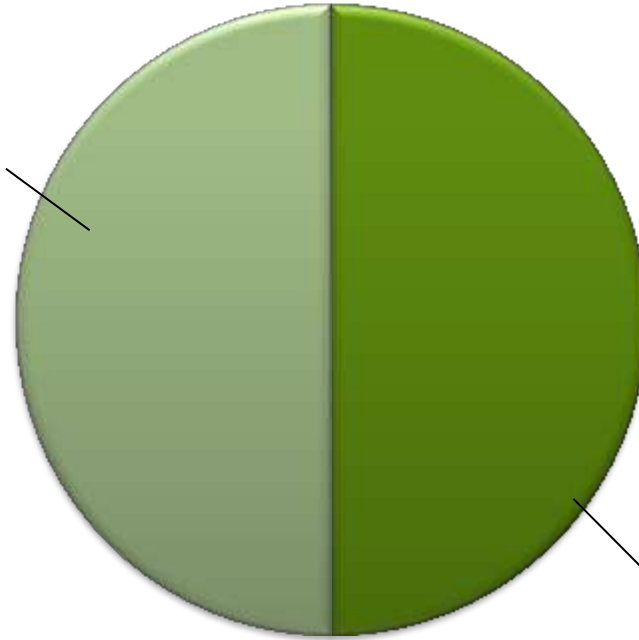
Overall Local Business Utilization

ESTIMATED TOTAL CONTRACT DOLLARS: **\$288,651,818**
CURRENT TOTAL LBU CONTRACT DOLLARS: **\$144,370,579**

Milestone Highlighted

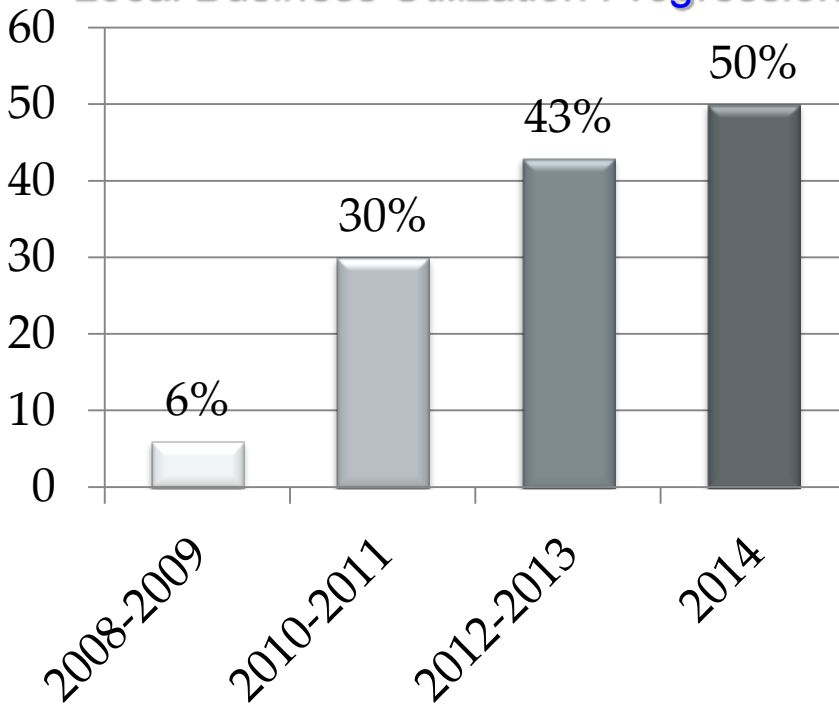
By December 2014, the Capital Program had reached a milestone by achieving 50% LBU, which translates into over a \$140 Million Dollars reinvested back into Oakland through the utilization of Oakland businesses

■ NON-LOCAL CONTRACTORS
49.98%



■ LOCAL CONTRACTORS
50.02%
As of December 2014

Local Business Utilization Progression



WHY LOCAL BUSINESS UTILIZATION IS IMPORTANT?

Benefit 1



Using Local Businesses recycle dollars back into local community. Capital Program spent \$288M and \$144M contracted with Oakland Businesses. Increase to City's business tax revenue



Benefit 2



Oakland businesses participate in internship program. OUSD students direct connection to Linked Learning



Local Businesses hiring OUSD students:

- ◆ 360 Total Concept
- ◆ ADCO
- ◆ Digital Design Communications
- ◆ Turner Group Construction
- ◆ SGI

Benefit 3



In 2011, over 70% of voters polled stated that they would support board measures that showed money coming directly back into Oakland. In 2012, Measure J passed with over 80% voter approval.



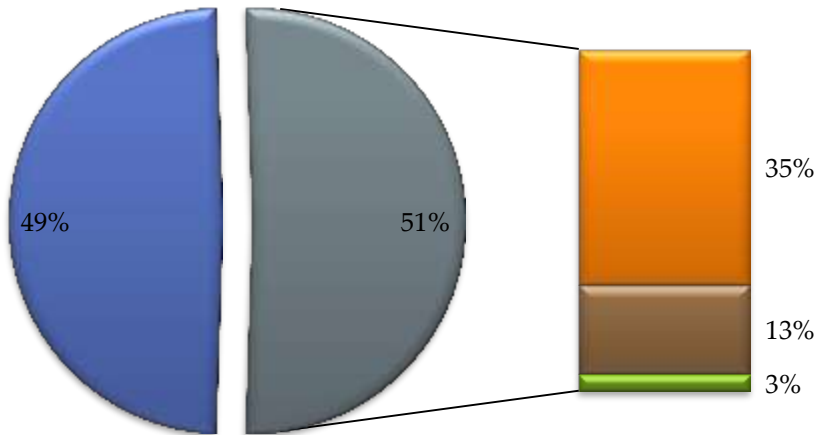
2014 Local Business Utilization Highlights

All of Capital Program projects awarded using the Lease-Leaseback negotiated procurement process exceeded the 50% Local Business Utilization. The following are completed Lease-Leaseback projects that did exceedingly well on projects' total Local Business Utilization (LBU)

La Escuelita Education Complex Phase 1

JV Team: ADCO/Turner Construction

■ Non-Local ■ Local ■ LBE ■ SLBE ■ SLRBE



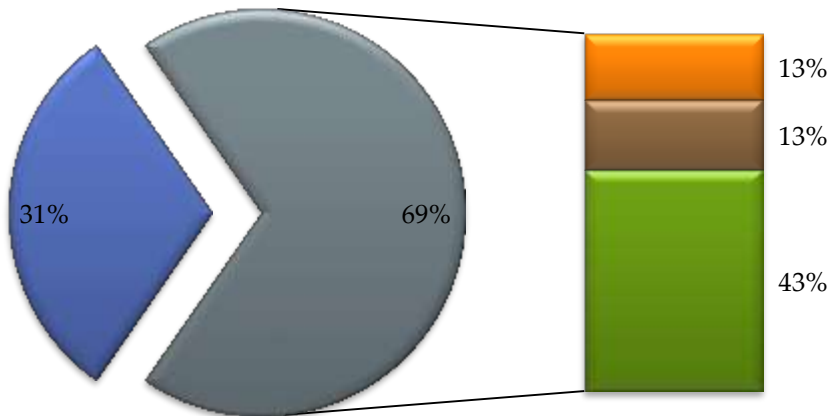
- Project Amount \$33,966,019
- LBU: \$17,058,178
- JV Team 100% Local
- Apprentices – Oakland residents: 46%



CCPA/Havenscourt MS New Classroom & Cafeteria

JV Team: ADCO/Turner Group Construction/Alten Construction

■ Non-Local ■ Local ■ LBE ■ SLBE ■ SLRBE



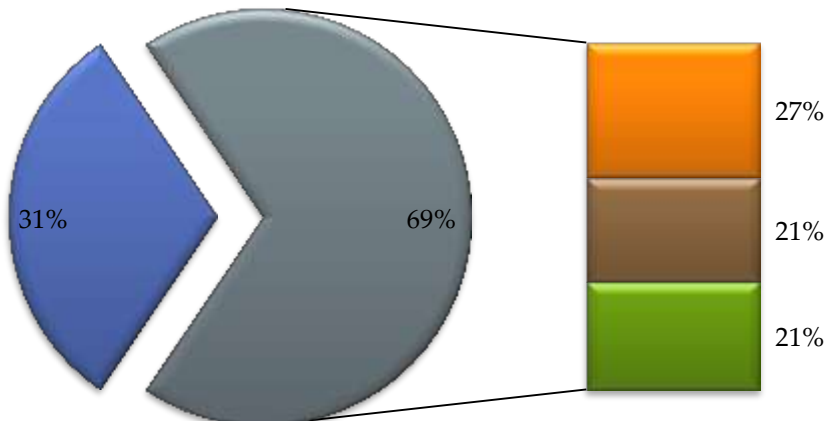
- Project Amount \$11,464,656
- LBU \$7,968,539
- Local Hire: 60%
- Provided Student Internship (Linked Learning)
- Project Engineer Internship (OUSD students)



Life Academy/Calvin Simmons MS Modernization

JV Team: Focon/Cahill Construction

■ Non-Local ■ Local ■ LBE ■ SLBE ■ SLRBE



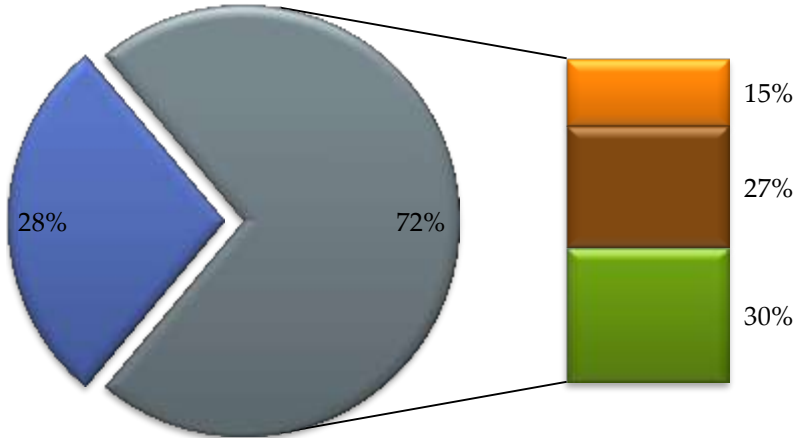
- Project Amount \$10,011,492
- LBU: \$6,913,192
- 100% Local JV Team
- Apprentices – Oakland residents: 53%



Sankofa/Washington ES Modernization Phase 1

JV Team: Turner Group Construction/Overaa

■ Non-Local ■ Local ■ LBE ■ SLBE ■ SLRBE



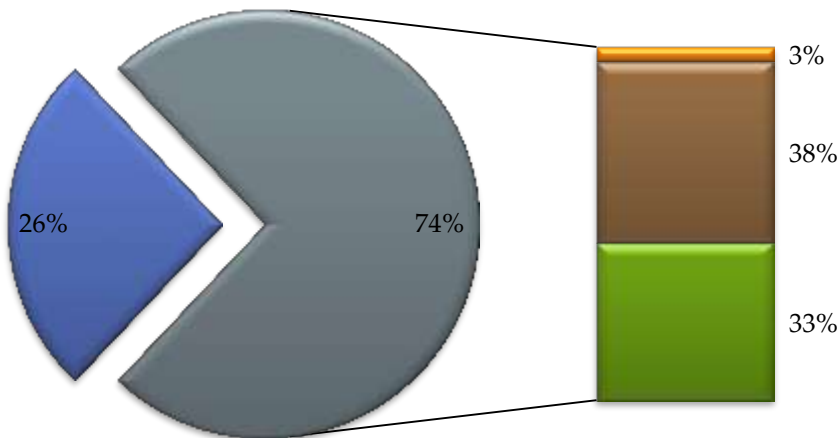
- Project Amount \$7,932,870
- LBU Amount \$5,748,998
- Use Cypress Mandela Apprentices



West Oakland/KIPP/Lowell MS Modernization & Health Center

JV Team: Focon/Arntz Builders

■ Non-Local ■ Local ■ LBE ■ SLBE ■ SLRBE



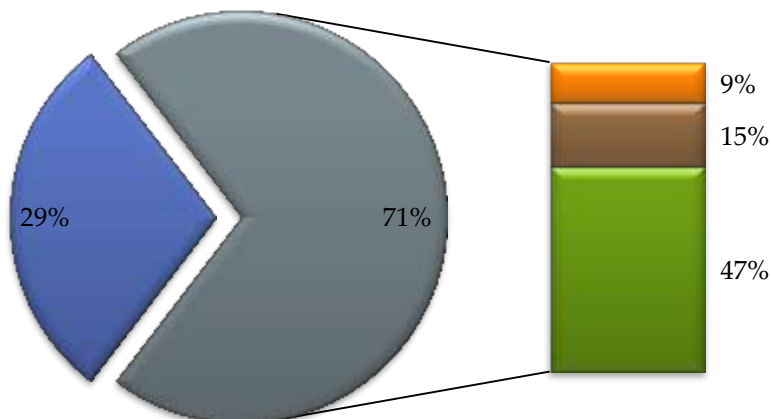
- JV Team and subcontractors targeted West Oakland residents to utilize as local hires on project
- Apprentices – Oakland residents: 60%
- Project Amount \$13,707,443
- LBU: \$10,162,532



Highland ES New Building

JV Team: ADCO/Turner Group Construction/Alten Construction

■ Non-Local ■ Local ■ LBE ■ SLBE ■ SLRBE



- Journey Apprenticeship Programs included Men of Valor and Cypress Mandela (Partnership)
- Local Hire: 49%
- Apprentices – Oakland residents: 76%
- Project Amount \$11,464,656
- LBU: \$7,968,539

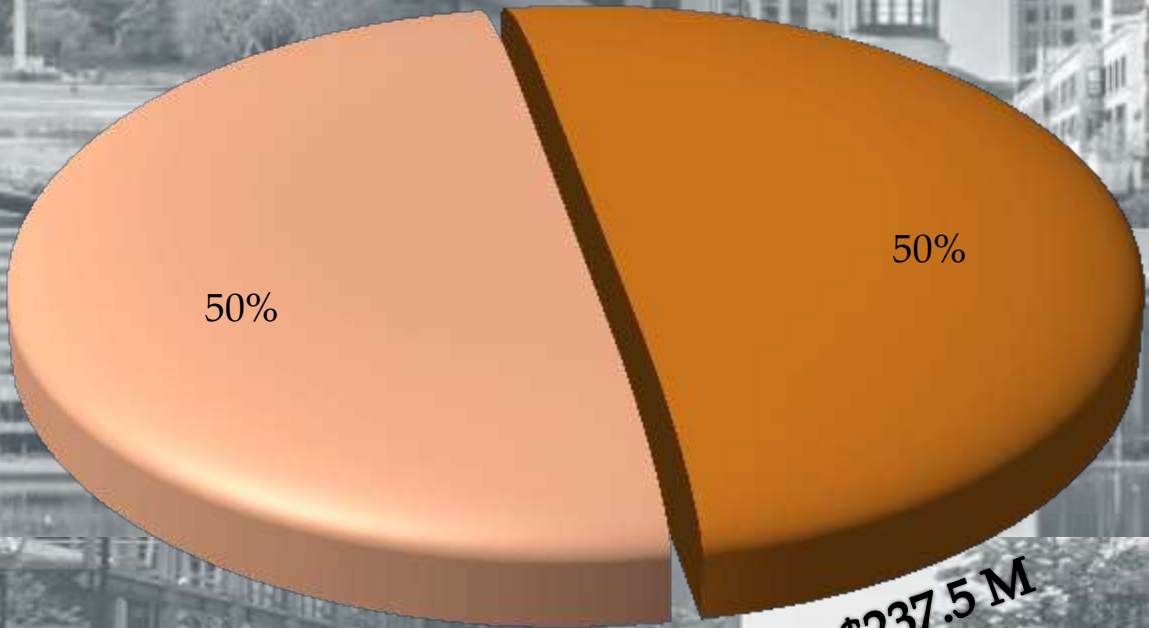


TIMING MATTERS

Measure J is the first bond that Oakland Unified School District Capital Program has the Local Business Requirements attached at the inception of the voter-approved bond funding allocation. Early projections based on the funds would mean over \$200 Million Measure J funds reinvested back into Oakland economy through the utilization of Oakland Businesses.

MEASURE J BOND DOLLARS

\$237.5 M



- Local
- Non-Local

\$237.5 M



Community Benefits stem from Local Business Program



A study found that \$78 out of every \$100 spent with a local business is returned in some form to the community.

-- Local First

Additional LBP Benefits:

- Local contractors able to hire local residents to work on OUSD projects
- 7 out of 8 Lease-Lease Back projects had **Small Local Resident Business (SLRBE)** Joint Venture Partners; All 8 Lease-Lease Backs had a **Small Local Business (SLBE)** as a Joint Venture partner
- Small Local Resident Businesses capacity increased to Prime District projects

"Bay Area Resource Center was created by Turner Group Construction to provide business assistance."

Len Turner, Castlemont HS Alum, **President** of Turner Group Construction

"Premium Roofing, a Small Local Resident Business is now able to work 100% in Oakland as a participant in OUSD's Local Business Program, instead of going outside of the City to find work."

Alan Kreager, **Owner** of Premium Roofing and Waterproofing

"Digital Design Communications is the first Small Local Resident Business able to prime over \$3 Million project."

Raphael Zamora, Fremont HS Alum, **CEO** of Digital Design Communications



Room to Grow

Since the local business utilization is a Districtwide board policy, deeper implementation on non-Facility Departments still awaits. The following are highlights of progress made on procurement side:

- Local Vendors added to District's eMarketplace local
- Nutrition Services utilizing of local vendors
- IT projects implemented facilities' department procurement process

As resources are allocated to increase ongoing monitoring in these other areas, soon the 50% LBU will be Districtwide.

Next Step: Team360 will develop a report card to evaluate, assess work and acknowledge success of contractors LBU on OUSD Projects.

OUSD LBU 2014 Recap:

- Total Capital Program Dollars Spent: **\$288,651,818**
- Total LBU Dollars Spent: **\$144,370,579**
- Over **65** Local Businesses Utilized
- Reached **50% LBU** in under a year
- 63% LBU** on LLB Projects Completed