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City of Columbia, SC:

Local Business Enterprise Preference Policy

1.13 (c) Local Business Enterprise Preferences

(1) Scope and Exclusions: This Local Business Enterprise (“LBE”) Preference Program shall apply to any procurement valued at \$5,000 not to exceed \$25,000 (Informal Procurements) **and/or** any City contract procured through a competitively sealed bid process, also known as Invitation for Bids (IFB’s), Request for Proposal (RFP) or certain Request of Qualifications (RFQs) wherein the contract value is estimated by the City to be in excess of \$25,000 (Formal Procurements) and is not procured pursuant to State or Federal guidelines that prohibit or restrict local preferences of this kind.

The LBE Preference Program shall not apply to the following:

- Cooperative Purchases
- Reverse Auctions
- State Contract Purchases
- Pre-qualification process on all RFQs

(2) Definitions: The following definitions shall apply to the terms of this Local Business Enterprise Preference Policy:

a. Columbia-Orangeburg-Newberry Combined Statistical Area (“CSA”) – The Columbia-Newberry Combined Statistical Area (“CSA”) is presently defined as eight (8) counties in central South Carolina including Richland County, Lexington County, Kershaw County, Fairfield County, Saluda County, Calhoun County, Orangeburg County, and Newberry County. A CSA is a designation that the U.S. government uses to refer to a region that, broadly speaking, consists of a city and its suburbs, plus any surrounding communities that are closely linked to the city because of social and/or economic factors. The CSA represents multiple metropolitan or micropolitan statistical areas that have a moderate degree of employment interchange. Definition of the CSA is the responsibility of the Office of Management and Budget (OMB), and as such, this definition may be modified from time to time. (OMB Directive 09-01; Executive Order No. 10253 (June 11, 1951)).

b. Control - The authority of a person or business owner to sign responses to solicitations and contracts, make price negotiation decisions, sell or liquidate the business, and have the primary authority to direct the day-to-day management and operation of a business enterprise without interference from others.

c. Independently Owned and Operated – Ownership of an LBE firm must be direct, independent, and by individuals and/or other businesses, provided the ownership interests that control the LBE firm can satisfy the LBE eligibility requirements for ownership and control as specified herein in Sections (c) (2) b and c. The LBE firm must satisfy the eligibility requirements for LBE Certification.

d. Local Business Enterprise (“LBE”) – A Local Business Enterprise is a business firm that is in good standing with the State of South Carolina, City of Columbia regarding its payment of taxes and required business licenses, is independently owned and operated within the Columbia - Orangeburg - Newberry Combined Statistical Area (“CSA”) and has maintained a Significant Business Presence within the CSA for at least one (1) year prior to being certified by the LBE Compliance Staff. The LBE Compliance Staff shall establish documentation requirements and certification eligibility standards for LBE firms that are consistent with the terms of this policy. The LBE Compliance Staff shall also review the status of certified LBE firms for purposes of certification renewal, at least once every four (4) years.

e. Significant Business Presence – To qualify for this Local Business Enterprise, an LBE must be operated out of a physical office located in the CSA, and have a significant business presence for at least one (1) year within the CSA, defined as: an established place of business in one or more of the eight (8) counties that make up the Columbia-Orangeburg -Newberry Combined Statistical Area (CSA), from which no less than 50% of its full-time, part-time and contract employees are regularly domiciled, and from which a substantial role in the performance of the City contract is conducted. A location utilized solely as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed to constitute a significant business presence.

(3) Price Preference (Informal Procurements): For the purpose of determining the lowest responsible and responsive bidder on any informal procurement valued between \$5,000 and not to exceed \$25,000, the City shall evaluate any bid submitted by an LBE by discounting its bid up to 5% of the actual bid amount. If the aforementioned calculation results in the LBE bidder being ranked as the lowest responsible and responsive bidder, the LBE bidder shall be offered the opportunity to accept the award at the same dollar amount bid by the lowest non-LBE bidder.

(4) Price Preference (Formal Procurement): For the purpose of determining the lowest responsible and responsive bidder on any qualifying contract valued above \$25,000, the City shall evaluate any bid submitted by an LBE by discounting its bid by up to 5% of its actual bid amount (up to a maximum dollar value not to exceed \$500,000). If the aforementioned calculation results in the LBE bidder being ranked as the lowest responsible and responsive bidder, then the LBE bidder shall be offered the opportunity to accept the contract award at the same dollar amount bid by the lowest non-LBE bidder.

(5) Evaluation Preference for Professional Services (excluding Architectural & Engineering Services): For the purpose of ranking proposals submitted in competition for a qualifying contract valued above \$25,000 under a best value method of contracting wherein factors other than price are taken into consideration, the City shall evaluate any proposal submitted by an LBE by increasing its cost/price evaluation factor by five (5) percentage points of the total number of points allocated for the proposal evaluation process. If the aforementioned Evaluation Preference results in the LBE offeror’s proposal being ranked as the highest scoring proposal among all proposals submitted, then the contract shall be awarded to the LBE offeror provided that interviews and/or demonstrations are not required.

(6) Evaluation Preference for Architectural and Engineering Professional Services (A&E) RFQ: For the purpose of ranking certain RFQs for A&E Services in which solicitations contain a proposal component wherein factors other than price are also taken into consideration, the City shall evaluate any A&E proposal received by an LBE during the RFQ/proposal process by increasing its score by five (5) percentage points of the total number of points allocated for the proposal evaluation process. If the aforementioned evaluation preference results in the LBE offeror's proposal being ranked as the highest scoring proposal among all proposals submitted, then the contract shall be awarded to the LBE offeror, provided that interviews and/or demonstrations are not required and contract negotiations are successful.

(7) Evaluation Preference for Architectural and Engineering Professional Services (A&E) RFP: For the purpose of ranking RFPs for A&E Services, the City shall evaluate any A&E proposal received by an LBE during the RFP proposal process by increasing its score by five (5) percentage points of the total number of points allocated for the proposal evaluation process. If the aforementioned evaluation preference results in the LBE offeror's proposal being ranked as the highest scoring proposal among all proposals submitted, then the contract shall be awarded to the LBE offeror, provided that interviews and/or demonstrations are not required and contract negotiations are successful.

(8) Program Administration: Each City contracting department shall be responsible for the application of this Local Business Enterprise Preference Policy to appropriate contracts, for including appropriate language regarding application of the LBE Preference in bid solicitations and Requests for Proposals, and for awarding contracts in a manner that is consistent with this policy. The LBE Compliance Staff shall be responsible for establishing certification applications, procedures, and standards for the certification of LBE firms. The LBE Compliance Staff shall also be responsible for reviewing all documentation submitted by applicants for LBE certification and re-certification and also making determinations regarding de-certification of firms as Local Business Enterprises. The LBE Compliance Staff shall maintain an accurate and up-to-date directory of certified LBE firms and share it with the City contracting departments, and indicate such status in a firm's registration within the City's centralized bidder registration system. Only firms that have been certified as LBE's prior to the time of bid or proposal opening shall be eligible for local preference consideration.