

LOS ANGELES BUSINESS PREFERENCE PROGRAM ORDINANCE



The City's Local Business Preference Program Ordinance went into effect on **August 7, 2021** to boost local business participation in City contracting and increase employment opportunities for transitional workers. Under the ordinance, Los Angeles County businesses could be eligible for a contracting preference for local and local small businesses as well as business entities working with the hardest-to-employ populations.

The Transitional Job Opportunities Program, Small Local Business Program, and Local Business Preference Program ordinances have been combined into a single program called the Local Business Preference Program (LBPP). The certifications under the LBPP are Local Business Enterprise (LBE), Local Small Business (LSB) and Local Transitional Employer (LTE).

Preference percentages will increase for small and local businesses based on the threshold contract amount of \$150,000. Additionally, preferences will now be given to prime contractors if they or their subcontractors hold either a Local Business Enterprise, Local Small Business, and/or Local Transitional Employer certification.

The full text of the ordinance can be found at:
bca.lacity.org/certification.

Contract Amounts Less than \$150,000:

For contract amounts less than \$150,000, businesses that are certified as a Local Small Business or Local Transitional Employer will receive a 10 percent preference. The preference is given to businesses that have annual receipts less than \$5 million for the previous fiscal year.

Contract Amounts Greater than \$150,000:

For contract amounts more than \$150,000, businesses that are certified as a Local Business Enterprise will receive an eight percent preference.

- Businesses holding a Local Small Business certification will receive an additional two percent preference.
- Businesses holding a Local Transitional Employer certification will receive an additional two percent preference.
- A maximum preference of 12 percent can be received under this category.

Expanding Opportunities Through Subcontractors:

Prime contractors that are not local businesses but use subcontractors who hold a Local Business Enterprise, Local Small Business, and/or Local Transitional Employer certification will receive a 1 percent preference for every 10 percent cost of the work up to a maximum 5 percent preference.

For questions about the Local Business Preference Program, please contact the Bureau of Contract Administration's Business Inclusion Section at bca.biphelp@lacity.org for implementation and applicability of the preferences and Certification, Outreach, Regulations and Enforcement Section at bca.certifications@lacity.org for certification related questions.

