December 24, 2013

Memorandum

To: Mayor Stephen S. Cassidy and San Leandro City Council, & Local Inclusion Policy
Development Working Group
From: David P. Johnson, President & CEO, San Leandro Chamber of Commerce
Subject: Proposed Local Inclusion Policy in Context with Other Policies

Thank you to the Mayor and City Council for the privilege of being tasked to work to establish the proposed policy; to Chair Surlene Grant and members of the Working Group for their leadership and participation, advice and counsel in establishing the proposed Local Inclusion Policy; and to the City of San Leandro's Jeff Kay and Richard Pio Roda for the hard work of creating and amending the document as the Group moved through the process of developing the policy.

The policy document will be brought to the City Council at its January 6, 2014, 7 pm meeting for review and adoption. All are encouraged to attend and participate in the City Council deliberations.

In summary, the policy is built around a system of management and compliance by City staff, with oversight by the City Council and the community. At its core, the policy offers a 10% incentive (5% if a joint venture) for San Leandro companies when they bid for qualifying City work. Examples for comparison: BART – 5%; City of Richmond – 5%; City of San Francisco – 10% (plus a micro set-aside program); City of Oakland – 2-5%; City of Hayward – no program.

The proposed local participation goal is 25%. As we know, each community is unique in many ways, so that, for example local business participation goals range from10-25% in Richmond, 25% in San Francisco (the Mayor may change the goal annually) to as high as 60% being proposed for Alameda County. In late 2012, the City of Oakland increased its goal from 20% to 50% based on the success of their "Local and Small Local Business Enterprise (L/SLBE)" program.

The proposed San Leandro policy does not address local hiring, nor does it address local participation in development projects that are subject to the City's entitlement process. These policy matters can and will be addressed in the coming months by the Working Group, or others, should the City so designate.

The proposed San Leandro policy is based on the best practices gleaned from policies by several Bay Area entities. Several members of the Working Group are experienced in all aspects of these policies, and some members even helped with their implementation and oversight. Some of these programs are listed below, and for reference, including links to the programs, or actual ordinances as with the City of Richmond.

In reviewing the policies of these entities, and speaking with representatives of several of the entities as well as organizations overseeing/evaluating these policies, it is clear that there are varying and significant degrees of complexity depending on that entity's policy priorities, management capacity and how they are administered, and length of experience with the programs. Each policy, and the programs that grow from that policy, must therefore be based on local priorities and circumstances. This proposed San Leandro Local Inclusion Policy, then, establishes the foundation for the development and growth of an effective set of programs to benefit both local businesses and workers.

The Working Group's purpose to date has been to establish a baseline policy in order that the City and community can establish and provide local enterprises meaningful incentives in their bidding for City work.

City of Richmond:
    a. Business Opportunity Ordinance –
http://ca-richmond.civicplus.com/index.aspx?nid=1604

    b. First Source Agreement – Local Hiring –
http://ca-richmond.civicplus.com/DocumentCenter/Home/View/3891

City of Oakland:
    a. Programs:
http://www2.oaklandnet.com/Government/o/CityAdministration/d/CP/index.htm

    b. Contracting Opportunities:
http://www2.oaklandnet.com/Government/o/CityAdministration/d/CP/s/Opportunities/index.htm

County of Alameda:
http://www.acgov.org/auditor/sleb/overview.htm

BART:
http://www.bart.gov/about/business/ocr/SB_Program_Overview

Port of Oakland:
http://www.portofoakland.com/responsibility/

City & County of San Francisco:
http://sfgsa.org/index.aspx?page=5364