

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER LOREN TAYLOR

RESOLUTION DIRECTING THE CITY ADMINISTRATOR TO EXPLORE THE FEASIBILITY OF AND DEVELOP AN IMPLEMENTATION PLAN AND REPORT BACK TO COUNCIL BY APRIL 2021 FOR: (1) ESTABLISHING AND OPERATING AN OWNER-CONTROLLED INSURANCE PROGRAM (OCIP); AND (2) ESTABLISHING AND OPERATING A CONTRACTOR DEVELOPMENT PROGRAM; AND (3) IMPLEMENTING A PLAN THAT ENSURES A MORE TRANSPARENT AND EQUITABLE ON-CALL CONTRACTING SELECTION AND SOLICITATION PROCESS; AND (4) MODIFYING THE PREFERRED SMALL LOCAL BUSINESS PROGRAM TO INCLUDE ALL PROFESSIONAL SERVICES AND GRANTS; AND (5) ESTABLISHING AND FUNDING TWO (2) CONTRACT COMPLIANCE OFFICERS POSITIONS AND ONE (1) ADMINISTRATIVE ASSISTANT II POSITION NECESSARY TO IMPLEMENT THE L/SLBE PROGRAM ENHANCEMENTS IN ORDINANCE [INSERT ORDINANCE #]; AND (6) ESTABLISH AN SLBE/VSLBE SET ASIDE PROGRAM FOR ENSURING GREATER ACCESS FOR SLBES AND VSLBES AS PRIME CONTRACTORS; AND (7) ESTABLISHING A LOCAL HOMEGROWN CREDIT; AND (8) IMPLEMENTING OTHER PROGRAM ENHANCEMENTS TO ADDRESS ISSUES OF RACIAL AND GENDER EQUITY

WHEREAS, the City of Oakland faces a significant economic crisis as a result of the COVID-19 pandemic which has forced many Oakland businesses to close, threatens the existence of many others, and has resulted in significant loss of jobs and high unemployment in Oakland; and

WHEREAS, more than 80% of Oakland businesses are small businesses, and national data establishes the small business market as the greatest source of employment, particularly in urban areas such as Oakland; and

WHEREAS, the Oakland City Council understands there is direct correlation between high rates of unemployment and increased crime rates and as such is desirous of finding ways to

create contracting opportunities for Oakland businesses and employment opportunities for Oakland residents; and

WHEREAS, federal and state contracting laws support the development of small businesses, mandate that a certain portion of most public works projects be given to small contractors for public benefit, and aim to increase the talent and contract pool in bidding for government contracts; and

WHEREAS, enhancements of Oakland's local business enterprise purchasing programs may increase the number of firms with primary business offices in Oakland by encouraging firms to move to Oakland and creating opportunities for the formation of new Oakland-based firms; and

WHEREAS, federal and local laws mandate that contractors post surety bonds, often to the full value of the contract which is intended to protect taxpayer dollars and infrastructure against substandard work, but is often cost-prohibitive for smaller contracting firms, limiting their access to government contracting opportunities; and

WHEREAS, large businesses and government agencies have the personnel and expertise required to comply with complicated federally and locally mandated bonding requirements, but small businesses often do not have the same resources and are thus often excluded from participation; and

WHEREAS, bonding assistance or subsidies are a potential solution to the problem of the bonding requirement that limits access for most small businesses, and one such program is an Owner-Controlled Insurance Program (OCIP), which is a centrally procured and managed insurance and risk control program that can be used by the prime contractor and its subcontractors for a single City-funded construction or professional services project, or for a series of projects; and

WHEREAS, the City of Oakland and the Port of Oakland (Port) have a shared interest in Oakland's economic prosperity and the success of Oakland small businesses, and an OCIP partnership between the City and the Port regarding construction and professional services projects could benefit the Port, the City of Oakland, and Oakland small businesses; and

WHEREAS, the cities of San Francisco and Los Angeles both have OCIPs and the performance of those programs could inform Oakland's path forward in implementing an OCIP; and

WHEREAS, a possible OCIP may include transit, transportation, airports, ports, and central city government, and will impact many external and internal City stakeholders, such as the Human Services department, and also the departments handling purchasing and procurement capital construction and professional services should be engaged in its development; and

WHEREAS, the on-call procurement process used by Oakland's Department of Public Works and Department of Transportation lacks transparency regarding contract award process, and appears by many community members to not align to the SLBE programs goals of creating equitable access for small local businesses, and increasing transparency and focus on equitable access could increase the number of small business introduced into the pipeline of public works contracts therefore benefiting both the small businesses, their employees, and the City; and

WHEREAS, including all Oakland professional services contracts instead of just professional pre-construction contracts in the SLBE program could increase the number of small business introduced into the pipeline of professional services contracts therefore benefiting both small businesses, their employees, and the City; and

WHEREAS, program improvements such as the development of an OCIP, the combination of the on-call contracts procurement process and the local/small local business enterprise program; and the inclusion of all professional services in the LBE/SLBE program require thorough planning, analysis, and stakeholder engagement; now, therefore, be it

RESOLVED: That the City Council directs the City Administrator to explore and report back to Council by April 2021 on the feasibility of the following measures to improve the L/SLBE Program so that the City of Oakland better delivers on its commitment to eliminating race and gender disparities in city contracting and procurement. If feasible, the report back to council shall include an implementation plan.

Measures to be explored and evaluated include:

1. Establish and operate an Owner Controlled Insurance Program (OCIP) either independently or in partnership with the Port of Oakland for construction and professional services projects.
2. Establish and operate a Contractor Development Program including the potential for SLBE Bonding and SLBE contract financing support.
3. Combine the on-call contracts procurement process and the local/small local business enterprise program so that public works contracts are more transparent and equitable.
4. Modify the preferred small local business program to include all professional services and grants.
5. Establish and fund two (2) Contract Compliance Officer and one (1) Administrative Assistant position necessary to implement the L/SLBE Program enhancements.
6. Establish an SLBE/VSLBE set aside program ensuring greater access for SLBEs and VSLBEs as prime contractors.
7. Establish a Local Homegrown Credit incentive for LBE/VSLBEs whose owners are born and raised in Oakland.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR,
THAO AND PRESIDENT KAPLAN

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED
Acting City Clerk and Clerk of the
Council of the City of Oakland, California