

LEGISLATIVE DIGEST

[Bid Discounts For Small and Micro-LBEs That Joint Venture To Bid On Construction Contracts.]

Ordinance amending Administrative Code Section 14B.7(F) to grant bid discounts to Small and Micro-LBEs that joint venture with other firms to bid on construction contracts.

Existing Law

Section 14B.7 of the Administrative Code requires the application of certain prime bidding discounts to bids and proposals submitted by HRC-certified LBEs.

Section 14B.7(F) requires the application of joint venture bid/ratings discounts to proposals submitted by Small and Micro-LBEs for professional services and architecture/engineering contracts with estimated costs in excess of \$10,000 and less than or equal to \$10,000,000. The joint venture bid/ratings discounts are as follows: (i) five percent for a joint venture with Small and/or Micro-LBE prime contractor participation that equals or exceeds 35 percent but is under 40 percent; (ii) seven and one-half percent for a joint venture with Small and/or Micro-LBE prime contractor participation that equals or exceeds 40 percent; and (iii) ten percent for a Small and/or Micro-LBE prime contractor or a joint venture among Small and/or Micro-LBE prime contractors.

Amendments to Current Law

The ordinance amends Section 14B.7(F) by requiring the application of joint venture bid/ratings discount to bids submitted by Small and Micro-LBEs for construction contracts administered under Section 6.68 as follows: (1) two percent to a joint venture with Small and/or Micro-LBE prime contractor participation that equals or exceeds 20 percent but is under 30 percent; (2) three percent with participation that equals or exceeds 30 percent but is under 40 percent; (3) four percent with participation that equals or exceeds 40 percent but is under 50 percent , (4) five percent with participation that equals or exceeds 50 percent but is under 100 percent (3) ten percent to a solo Small and/or Micro-LBE prime contractor or a joint venture among Small and/or Micro-LBE prime contractors. Joint venture partners requesting a bid/rating discount on qualifying public works/construction contracts administered under Chapter 6.68(F) will only be eligible for the bid/ratings discount if they perform at least 25% of the contract work. Under the amended Section 14B.7(F), the joint venture bid/ratings discounts will apply to bids and proposals from Small and Micro-LBEs for professional services such as architecture/engineering, and construction contracts.

Background Information

Expanding the joint venture bid/ratings discounts to construction contracts should increase the utilization of Small and Micro-LBEs on City construction projects.