

CONTRACT MONITORING DIVISION CITY ADMINISTRATOR'S OFFICE



London N. Breed, Mayor Naomi M. Kelly, City Administrator Romulus Asenloo, Director

December 6, 2019

San Francisco Board of Supervisors City Hall 1 Dr. Calrton B. Goodlett Place, Room 244 San Francisco, CA 94102-4689

Dear San Francisco Board of Supervisors

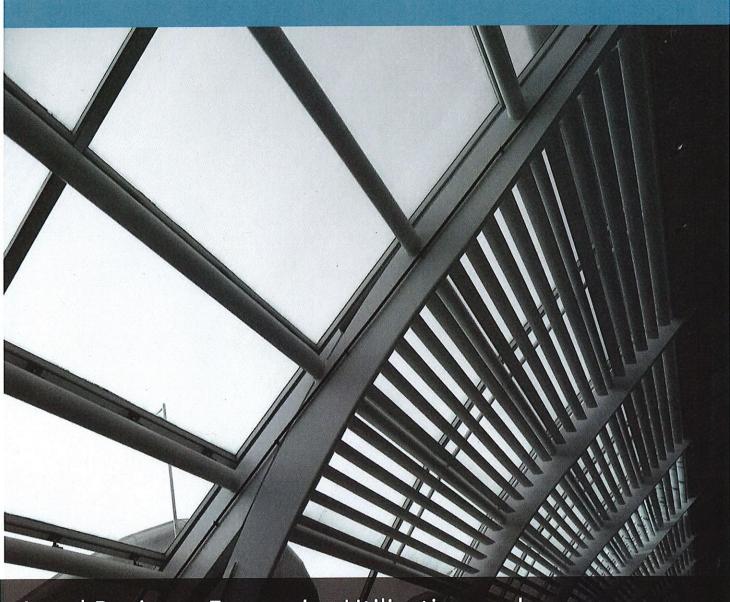
Pursuant to Chapter 14B.15 (A) of the San Francisco Administrative Code, please find the Local Business Enterprise ("LBE") Participation Report for FY 2018-19. The LBE Participation Report documents the number of firms the Contract Monitoring Division ("CMD") has certified and the LBE contract award statistics on work covered by Chapter 14B for the Airport, Public Works, Port, Public Utilities Commission and the Recreation and Parks Department.

Thank you for your continued support of CMD and the LBE Program. Should you have any questions, please do not hesitate to contact me at (415) 581-2320.

Sincerely,

Romulus Asenloo

Romulus Asenloo Contract Monitoring Division Director



Local Business Enterprise Utilization and Non-Discrimination in Contracting Program

FY 2018/19 Annual LBE Participation Report

San Francisco Contract Monitoring Division

Contents

ABOUT CMD4
ORGANIZATIONAL BACKGROUND4
CURRENT OPERATIONAL ENVIRONMENT4
CMD MISSION AND ROLES4
ROLES AND SERVICES5
EXECUTIVE SUMMARY6
LBE CERTIFICATION9
TOTAL CITY-WIDE LBE PARTICIPATION FOR 5 MAJOR DEPARTMENTS10
SAN FRANCISCO INTERNATIONAL AIRPORT11
SAN FRANCISCO INTERNATIONAL AIRPORT (DATA SOURCE – F\$P)13
PUBLIC WORKS14
PUBLIC WORKS (DATA SOURCE – F\$P)15
PORT OF SAN FRANCISCO16
PORT OF SAN FRANCISCO (DATA SOURCE – F\$P)18
PUBLIC UTILITIES COMMISSION19
PUBLIC UTILITIES COMMISSION (DATA SOURCE: SOLIS III)20
RECREATION AND PARKS DEPARTMENT21
RECREATION AND PARKS DEPARTMENT (DATA SOURCE – F\$P)23
CMD 14B ACCOMPLISHMENTS FOR FY 18-1924
POLICY UPDATES25
CONTRACTOR ACCELERATED PAYMENT PROGRAM (CAPP)

MENTOR-PROTÉGÉ PROGRAM	25
PRIVATE DEVELOPMENT AGREEMENTS	25
LOOKING AHEAD	20

About CMD

Organizational Background

The City of San Francisco places a strong emphasis on the inclusion of small local-based businesses on City-funded projects. This emphasis was codified in Chapter 14B of the San Francisco Administrative Code ("Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance") and its predecessor, Chapter 12D ("Minority/Women/Local Business Utilization Ordinance") as well as the administration of Chapter 12B ("Nondiscrimination in Contracts" Ordinance). Under the Office of the City Administrator, the Contract Monitoring Division ("CMD") enforces two ordinances.



Current Operational Environment

San Francisco is experiencing development. To accommodate the growth, the City has embarked on numerous capital improvements such as the Street Pavement/Pipe replacement program projects, Sewer System Improvement Program, a new Southeast Bio-Solids Plant, Public Safety Capital Improvements projects, Moscone Center Improvement projects, and SFO Terminal 1 Rebuild/Re-model projects.

To ensure that local small businesses participate in a growing San Francisco, the Mayor and the Board of Supervisors continue to prioritize LBEs are aggressively afforded the opportunity to participate on city-funded projects.

In addition, the City passed a revised Chapter 14B legislation in December 2014 with implementation starting in FY 15-16. The City Administrator, Naomi Kelly, coordinated with the various stakeholders (Contract Awarding Authorities (departments), CMD, business/trade organizations), and created a local business program that seeks to balance both enforcement with sustainment/capacity building initiatives. To meet these objectives, CMD, in coordination with the Risk Management Division, has revamped the LBE Surety Bond and Financial Assistance Program to a comprehensive wrap-around Contractor Development Program.

CMD Mission and Roles

The Contract Monitoring Division (CMD) implements and enforces the Chapter 12B Equal Benefits Ordinance and Chapter 14B Local Business Enterprise Ordinance adopted by the Mayor and the Board of Supervisors to protect the public interest in equality throughout the City & County of San Francisco's governmental contracting process. To provide the highest level of public service, the

CMD is committed to providing expert assistance to businesses and City departments to ensure this mandate is accomplished fairly, effectively and efficiently.

Roles and Services

- I. Chapter 12B Chapter 12B (also known as the Equal Benefits Ordinance), passed in 1997, was the first Equal Benefits Ordinance in the United States. The 12B Unit is responsible for working with firms that enter into contracts with the City to provide goods or services or enter into leases with the City to administer benefits equally to employees with domestic partners and employees with spouses, and/or to the domestic partners and spouses of such employees.
- II. Chapter 14B As one of the strongest and well-established disadvantaged/local business participation programs in the country, the Chapter 14B Unit is responsible for ensuring that all departments comply with program requirements regarding fairness, transparency and consistency. CMD also improves the ability of certified Local Business Enterprises (LBE) to compete effectively for the award of City contracts through the enforcement of Bid Discounts/Rating Bonuses, micro-set asides, and LBE subcontracting participation requirements, as well as developing and implementing outreach, training, technical assistance and other capacity-building programs.



Executive Summary

PURPOSE

As mandated by Chapter 14B, the purpose of this report is to provide the Mayor and the Board of Supervisors with data for the 2018/19 Fiscal Year on LBE Certification and LBE participation on city-funded projects. This report also documents CMD's ongoing efforts to increase opportunities for small local businesses to compete and participate in contracts. It also outlines the CMD and partner-Departments' one-year accomplishments and priorities for the coming fiscal year.

METHOD OF ANALYSIS

The fiscal year began on July 1, 2018 and ended June 30, 2019. CMD utilized the LBE Certification database, the City's Financial and Procurement System ("F\$P") and SOLIS III to obtain the LBE certification and 14B utilization data.

On July 1, 2017, the City launched F\$P as the comprehensive enterprise planning system, including financial management, reporting and analytics functionality. The City is still in a transition period moving from legacy financial/participation tracking systems and departments will continue to revise the figures reflected in this report.

The 14B compliance monitoring modules in F\$P have multiple functional and change-management challenges that will be addressed in the future; however, several departments have embarked on utilizing SOLIS III as a day-to-day operational sub-system to properly monitor and report on non-conforming (i.e. complex CMGC and/or Design-Build) projects.

REPORT OVERVIEW

As of June 30, 2019, there were 1,371 certified LBEs in the CMD database.

The 5 major contracting departments awarded approximately 726 new contracts during the reporting period. The total contract dollars awarded during this fiscal year was \$13,091,816,346. Total LBE participation is \$3,358,029,793 (26%).

LBE ADVISORY COMMITTEE

There are 14 members of the Local Business Enterprise Advisory committee (LBEAC). The LBEAC is composed of representatives from nine CMD-LBE Certified firms and five City Departments. The LBEAC meets on the first Thursday of every other month. The committee advises the City Administrator and the Director of the Contract Monitoring Division on implementation and proposed amendments to the 14B Ordinance.

PRIORITIES

The Contract Monitoring Division provides contract compliance services across core enforcement responsibilities (i.e. 12B and 14B), the City's small business community, and technical assistance.

CMD priorities:

- <u>Program</u> Leverage changing economic environments and to strengthen the ability of certified LBEs to complete effectively in the award of City contracts and expand the pool of qualified vendors
- Organization Respond quickly to evolving contracting paradigms; find opportunities to increase LBE participation on City projects
- <u>Community</u> Maintain strong ties to community with continuous outreach, technical assistance, and collaboration
- <u>Technology</u> Upgrade systems to empower staff and community, increasing transparency/accuracy and conserving resources



Chapter 14B Certification:

Pursuant to the San Francisco Administrative Code Chapter 14B Local Business Enterprise and Non-Discrimination in Contracting Ordinance and accompanying Rules and Regulations, a business contracting with the City and County of San Francisco may be eligible for bid discounts or bid rating bonus as a certified LBE, PUC-LBE (for use on PUC Regional Projects), Non-Profit (NPE), or SBA/LBE. This certification promotes the utilization and participation of San Francisco small businesses with respect to City contracts.

Specifically, certified businesses benefit from bid discounts, sub-contracting goals and micro-LBE set-aside contracts. To receive these benefits, a business must be certified by the San Francisco Contract Monitoring Division prior to the submittal of a bid or proposal.

As of July 1, 2019, there are 1,371 Certified LBEs to be utilized on City projects. Of that number, approximately 36.0% are MBEs, 37.8% are WBEs, and 26.1% are OBEs of the LBE and NPE Certified Small & Micro Firms. Approximately 29.8% are MBEs, 61.7% are WBEs, and 8.5% are OBEs of the PUC-LBE Certified Small & Micro Firms.

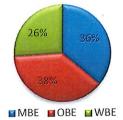
In addition, CMD finalized a reciprocity MOU with the State Department of General Services ("DGS'). This reciprocity agreement with the State would enable new or recertified firms to apply directly with CMD for State's certification. The State will provide CMD with San Francisco SBE Certified firms for LBE Certification review and site visits. At this time, CMD is now referring all new certification applicants to the SBE program and has begun tracking the number of LBEs that are also DVBE certified by California Department of General Services ("DGS").

CMD also provided a joint workshop with DGS at the San Francisco Small Business Week Conference. CMD is partnering with the Department of the Environment's San Francisco Green Business Program to track the number of LBEs that are also recognized as green businesses as well as generating interest among and providing resources to prospective green LBEs.

LBE Certification

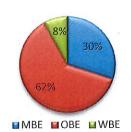
LBE and NPE1 Certified Small & Micro Firms2

IDLI UIIU IVI D GOI	CITION DANKERS OF THE	
	FY 18/19	%
MBE ³	428	36.0%
OBE ⁴	450	37.8%
WBE ⁵	311	26.1%
Total	1189	



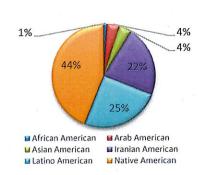
PUC-LBE Certified Small & Micro Firms

	FY 18/19	%
MBE	28	29.8%
OBE	58	61.7%
WBE	8	8.5%
Total	94	



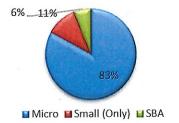
Small & Micro MBE Firms by Ethnicity (LBE, NPE & PUC-LBE)

inian de l'inci o l'ibb i i	in in by Delining	city (BBB) it Bt
	FY 18/19	%
African American	132	25.2%
Arab American	19	3.6%
Asian American ⁶	228	43.5%
Iranian American	23	4.4%
Latino American	117	22.3%
Native American	5	0.9%
Total ⁷	524	



Summary of all LBEs

	FY 18/19	%
Micro	1131	82.5%
Small (only)	152	11.1%
SBA ⁸	88	6.4%
Total	1371	



¹NPE: Non-Profit Enterprise

²Criteria for Micro-, Small-, and SBA-LBEs are based on the average gross receipts in the prior year that do not exceed the following limits:

V	Micro Bid Discount 10%	Small Bid Discount 10%	SBA Bid Discount 5%
Class A and B General Contractors	\$10,000,000	\$20,000,000	\$33,500,000
Specialty Contractors	\$5,000,000	\$10,000,000	\$17,000,000
Trucking and Hauling	\$1,750,000	\$3,500,000	\$8,500,000
Suppliers and General Service Providers	\$5,000,000	\$10,000,000	\$17,000,000
Architect, Engineering and Professional Services	\$1,250,000	\$2,500,000	\$7,000,000

³MBE: Minority-Owned Business Enterprise

⁴OBE: Other Business Enterprise (Not a Minority- or Woman-Owned Business Enterprise)

5WBE: Woman-Owned Business Enterprise

⁶Includes firms identifying as Asian, Asian Indian, Asian/PI, Chinese, Filipino, Japanese, Korean, Pacific Islander, Southeast Asian ⁷Some firms with primary identification as a woman-owned business (WBE) may also identify as an ethnicity and is non-minority.

8Some SBA firms may also be a Micro or Small LBE

Total City-Wide LBE Participation for 5 Major Departments

The purpose of San Francisco's Chapter 14B Local Business Enterprise Ordinance is to help small, local businesses compete effectively for City contracts. The Ordinance provides for bid discounts or bonus ratings to LBE primes and requires prime vendors to subcontract a portion of each covered contract to LBEs. Contract Compliance Officers set LBE requirements based on LBE availability and estimated contract amounts.

Chapter 14B, along with its implementing Rules and Regulations, are incorporated by reference into every applicable City contract and provides that the failure of any bidder or proposer to comply in good faith with these requirements shall be deemed a material breach of contract. The CMD compliance team ensures that pre-award LBE requirements are met as well as monitors each prime's progress toward achieving these requirements throughout the course of the contract.

San Francisco International Airport



The San Francisco International Airport ("SFO") is the 7th busiest airport in the U.S., serving almost 58 million guests last year travelling to more than 50 international cities on 45 international carriers, and 86 cities in the U.S. on 12 domestic airlines. SFO is a major regional economic engine, generating over \$8 billion in on-airport economic activity.

SFO has a long history of helping small and local businesses gain access to opportunities at the Airport, and was one of the first U.S. airports to open a Small Business Office over thirty years ago. Over the years, the Airport has developed an array of supports to ensure small, local, and minority and women-owned firms have equitable access to SFO's business opportunities. Today, SFO's Social Responsibility and Community Sustainability (SRCS) section works closely with CMD to ensure compliance with Chapter 14B Ordinance of the San Francisco Administrative Code. SRCS also enforces the Federal Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) Programs.

The Airport continuously seeks ways to increase the participation of local, small, and disadvantaged businesses on Airport leases and contracts (e.g. construction and professional services). This includes rigorous outreach and support to engage businesses. Recent events include an Airport Rental Car Supplier Outreach event, a Recruitment and Retention Roundtable for Airport employers, and a mixer for the Airport Minority Advisory Council (AMAC) for small, local and minority- and woman- owned businesses.

The Airport also ensures that contracting qualifications and experience requirements do not exclude small businesses from participating. While the majority of SFOs projects during this FY were quite large, SFO demonstrated their strong commitment to achieving robust and meaningful

LBE participation—even going beyond what was required in the program. In addition to unbundling large construction scopes into smaller scopes, master builders on large projects each assigned a staff person to serve as the 14B Compliance/Community Liaison. This helped ensure community stakeholders were fully informed of opportunities and encouraged to bid. The Compliance/Community Liaison also assisted in overcoming challenges related to changes



in project scope, ensuring the timely dissemination of these changes to affected stakeholders. Primes and their major subcontractors also took necessary measures to minimize negative effects on LBEs, including accelerating payments to LBEs for work performed/material purchased in advance of the City paying these primes.

During this FY, SFO oversaw the building of some very noteworthy projects including:

- Terminal 1 consisting of two Design/Build Projects: 10011.66 D/B Services for Terminal 1 Center ("T1C" Prime: Hensel Phelps) and Boarding Area B ("BAB": Prime Austin/Webcor JV). Current LBE participation to date is \$61 million.
- Consolidated Administrative Campus ("CAC")
 Project Phase 1, Prime: Webcor. LBE
 participation to date is \$12.9 million.
- Grand Hyatt ("SFO Hotel": Prime Webcor) LBE participation to date is \$19M.

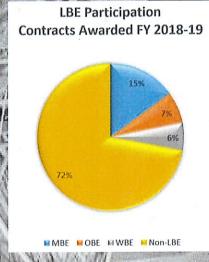


The Hotel and T1C projects—both still active projects—still project to meet both design and construction requirements. The Airport's capital plan currently includes \$7.2 billion of planned work. In FY 18-19, LBE firms earned \$515.7 million, or 20% of the \$2.6 billion spent on capital improvement projects.

CMD staff thanks SFO's SRCS Team and Director Ivar C. Satero for their support of the LBE community.

International Airport (Data Source - F\$P)

Total Number	of Contracts for	FY 18/19: 30		
	A			A STATE OF
Contract Type Description	Number of Contracts Awarded FY 18/19	Percent of Total Contracts Awarded FY 18/19	Number of Active Contracts	Percent of Active Contracts
Construction Contracts	11	36.7%	94	46.5%
Professional Services - Chapter 6	12	40.0%	78	38.6%
Professional Services - Chapter 21	7	23.3%	30	14.9%
Grand Total	30	100.0%	202	100.0%
N. D. C.		A INTERIOR	1,1	
Contract Type Description	Amount Awarded FY 18/19	LBE Amount Awarded FY 18/19	Amount Awarded on Active Contracts	LBE Amount Awarded on Active Contracts
Construction Contracts	\$45,579,398	\$5,240,955	\$6,393,678,564	\$1,847,369,592
Professional Services - Chapter 6	\$22,717,883	\$6,428,000	\$522,466,044	\$168,031,836
Professional Services - Chapter 21	\$23,931,941	\$2,671,040	\$47,042,951	\$6,944,378
Grand Total	\$92,229,222	\$14, 339,995	\$6,963,187,559	\$2,022,345,806
Prime LBE Status	Number of Contracts Awarded FY 18/19	Percent of Total Contracts Awarded FY 18/19	Number of Active Contracts	Percent of Active Contracts
LBE	8	26.7%	64	31.7%
Non-LBE	22	73.3%	138	68.3%
Grand Total	30	100.0%	202	100.0%
Prime Owner Type	Number of Contracts Awarded FY 18/19	Percent of Total Contracts Awarded FY 18/19	Number of Active contracts	Percent of Active Contracts
Minority Business Enterprise	3	10.0%	16	7.9%
Non-LBE	22	73.3%	138	68.3%
Other Business Enterprise	4	13.3%	21	10.4%
Women Business Enterprise Grand Total	30	3.3%	202	100.0%
Grand Total	30	100.0%		100.070



Notes:

- All column headings are defined as per CMD (e.g. "to Date" refers to active contracts with term start date of 7/1/13 or later)
- Due to FAMIS to PeopleSoft conversion, not all original award amounts may have been captured

- The following notes apply to the Construction and Chapter 6 Contracts listed in the tables above.

 1) The data shown in the tables above are for contracts funded from the Ascent Program Phase 1 under the Airport's Capital Improvement Plan.
- The data shown does not include all available information for Design-Build and Contract Manager/General Contractor type of contracts. The data shown does not include all other contracts not included in the Ascent Program.

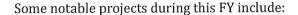
Public Works



San Francisco Public Works was created on January 8, 1900, with the original bureaus being Streets, Lighting, Building, and Light & Water Services. Currently, Public Works designs, builds, maintains, and improves the City's infrastructure in order to keep San Francisco beautiful, safe and sustainable for residents, merchants, and visitors.

Public Works is internally tracking more than \$4 billion in construction projects across the City of San Francisco that are either being designed, managed and/or built. Public Works continues to reconcile internal information with data in FSP.

Public Works consistently encourages LBEs to participate on contracts, in order to exceed LBE participation requirements. Through the leadership of Director Mohammed Nuru, all street improvement projects have a minimum LBE subcontracting requirement of no less than 25%.



- Moscone Expansion Project: LBE Participation to date is 17.65%
- Office of the Chief Medical Examiner: FPA 14063. Completed July 2018. Total LBE Participation: 24.87%
- Central Shops Replacement Facilities: Contract No. 7994A. Completed June 2019. Total LBE Participation: 20.19%

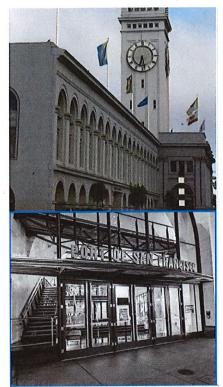
CMD thanks Director Mohammed Nuru and Public Works staff for their support to the LBE community.



Public Works (Data Source - F\$P) Total Number of Contracts for FY 18/19: 108 Number of Percent of Number of Percent of Contract LBE Participation Active Active Total Type Contracts Contracts Contracts Awarded FY 2018-19 Description Awarded Contracts Contracts Awarded FY 18/19 FY 18/19 77 71.3% 602 87.8% Construction Contracts 68 9.9% 18 16.7% Professional 30% Services -Chapter 6 2.3% 12.0% 16 Professional 13 Services -Chapter 21 100.0% **Grand Total** 108 100.0% 686 **LBE Amount** LBE Amount Amount Contract Amount Awarded on Awarded on **Awarded Awarded** Type FY 18/19 FY 18/19 Active Active Description Contracts Contracts \$1,108,239,719 \$312,202,552 \$188,038,376 \$2,369,704,463 Construction MBE MOBE MWBE Non-LBE Contracts \$77,929,081 Professional \$15,456,000 \$8,896,500 \$95,569,187 Services -Chapter 6 \$6,019,640 \$6,570,241 \$6,019,640 \$6,555,496 Professional Services -Chapter 21 \$2,471,843,891 \$1,192,188,440 \$334,214,048 \$202,954,516 **Grand Total** Percent of Number of Percent of **Prime LBE** Number of Contracts Total Active Active Status Contracts Contracts Awarded Contracts FY 18/19 Awarded FY 18/19 362 52.8% LBE 67 62.0% 68.0% 324 47.2% Non-LBE 41 108 100.0% 686 100.0% **Grand Total** Number of Percent of Number of Prime Percent of Owner Contracts Total Active Active Contracts Contracts Awarded Contracts Type FY 18/19 Awarded FY 18/19 23.2% 159 Minority 25 23.1% **Business** Enterprise 39.8% 337 49.1% 43 Non-LBE 19.5% 24.1% 134 Other 26 **Business** Enterprise 14 13.0% 56 8.2% Women Business Enterprise 100.0% 100.0% 686 108 **Grand Total**

Port of San Francisco

Brief Overview of the Department



The Port of San Francisco is a public enterprise agency of the City and County of San Francisco. The Port is responsible for 7.5 miles of San Francisco waterfront from Hyde Street Pier in the north to India Basin in the south. The Port develops, markets, leases, administers, manages, and maintains over 1,000 acres of land.

The Port manages the waterfront as the gateway to a world-class city, and advances environmentally and financially sustainable maritime, recreational and economic opportunities to serve the City, Bay Area, and California. The Port of San Francisco is aggressively committed to the principles of the Local Business Enterprise Ordinance. The Port's strategic plan includes a commitment to grow the number of certified LBEs through outreach and engagement.

Department/LBE Projects Overview

As a strong advocate for the use of local small businesses, the Port holds quarterly workshops to inform and provide assistance to LBEs bidding on Port projects. In September 2018, the Port held a Minority Business Mixer co-hosted by the

San Francisco African American Chamber of Commerce to allow small LBEs to network with large firms. In November 2018, the Port co-hosted with Merriwether & Williams Insurance Services an event entitled "Building Inclusivity of Port Projects" to promote diversity in contracting teams. In February, the Port held a workshop for micro-LBE firms bidding on engineering opportunities and on March 21, 2019, the Port held its 3rd Annual Contracts Open House to promote upcoming solicitations and to allow small firms to network with prime contractors. The event was attended by over 200 individuals.

Port staff prepare and present semi-annual Contract Activity Reports to the Port Commission. These reports detail each active contract's LBE participation, newly awarded contracts, quarterly workshop information, compliance with the City's Local Hire Ordinance, and upcoming contract opportunities. Reports are available on the Port's website at www.sfport.com.

During this FY, there have been some notable successes by LBEs and by the Port. For example, the Port took the initiative to break up a previously large contraction management contract and,

instead, let and ultimately awarded two micro-LBE set aside construction management projects and issued two solicitations for micro-LBE engineering services. Based upon the above outcomes, the Port has committed to letting more Micro-LBE set aside opportunities have been an effective strategy towards increasing LBE participation and building LBEs capacity to bid and win future opportunities.



In FY 2018/19, the Port successfully partnered with Merriwether & Williams Insurance Services to promote our as-needed engineering RFQ. The outreach campaign generated higher than expected interest and participation with 12 firms competing for four contracts. Overall, LBE participation on as needed engineering contracts exceeded 49%.

The small pool of available LBE firms continues to be a challenge for the Port specifically for specialized services, such as real estate economics and environmental services. A small group of LBEs consistently win Port contracts. While the Port has succeeded in meeting the Mayor's aspirational LBE goal, Port staff is collaborating with CMD to meet the Port Commission's strong commitment to increase diversity among winning firms, particularly from the City's most disadvantaged communities. These initiatives are vital to the Port's effort to ensure full community participation on the upcoming multi-billion dollar sea wall project.

CMD thanks Port Executive Director Elaine Forbes and all staff for their support to the LBE community.



Port of \$an Francisco (Data Source – F\$P)

Total Number of Cor	tracts for FY 18,	/19: 13		
	A.		and the same	
Contract Type Description	Number of Contracts Awarded FY 18/19	Percent of Total Contracts Awarded FY 18/19	Number of Active Contracts	Percent of Active Contracts
Construction Contracts	6	46.2%	13	23.6%
Professional Services - Chapter 6	4	30.8%	17	30.9%
Professional Services - Chapter 21	3	23.1%	25	45.4%
Grand Total	13	100.0%	55	100.0%
W. Washington		ITTH		
Contract Type Description	Amount Awarded FY 18/19	LBE Amount Awarded FY 18/19	Amount Awarded on Active Contracts	LBE Amount Awarded on Active Contracts
Construction Contracts	\$28,171,605	\$12,256,947	\$70,117,014	\$19,534,589
Professional Services - Chapter 6	\$11,400,000	\$8,973,000	\$33,989,396	\$22,345,708
Professional Services - Chapter 21	\$1,140,000	\$760,000	\$63,755,620	\$15,638,704
Grand Total	\$40,711,605	\$21,989,947	\$167,862,030	\$57,519,001
			- 1	1.30
Prime LBE Status	Number of Contracts Awarded FY 18/19	Percent of Total Contracts Awarded FY 18/19	Number of Active Contracts	Percent of Active Contracts
LBE	9	69.2%	33	60.0%
Non-LBE	4	30.8%	22	40.0%
Grand Total	13	100.0%	55	100.0%
Prime Owner Type	Number of Contracts Awarded FY 18/19	Percent of Total Contracts Awarded FY 18/19	Number of Active Contracts	Percent of Active Contracts
Minority Business Enterprise	3	23.1%	10	18.2%
			0.4	1 = 004

46.2%

15.4%

15.4%

100.0%

2

2

13

26

10

9

55

47.3%

18.2%

16.4%

100.0%

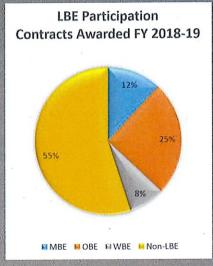
Non-LBE

Enterprise

Grand Total

Other Business Enterprise

Women Business



Public Utilities Commission

The San Francisco Public Utilities Commission (SFPUC) provides water, wastewater, and power to residents and businesses of San Francisco, as well as serve three additional Bay Area counties. Two of the Commission's largest projects are the Sewer System Improvement Program (SSIP) and the Water System Improvement Program (WSIP).



The SSIP sets to upgrade infrastructure and ensure both current and future reliability and performance of the sewer systems. WSIP is the largest infrastructure program undertaken by the City and County of San Francisco, as well as one of the largest water infrastructure programs in the United States. WSIP's focus is to upgrade SFPUC's regional and local water systems.



SFPUC and its staff are committed supporters of the LBE program, as well as to both the local businesses in San Francisco and those located in the water service territory (Daly City to Hetch Hetchy). The Local Business Enterprise Program (SFPUC-LBE) provides small regional construction firms located in the water service territory eligibility to be certified by CMD for construction contracting opportunities on SFPUC specified construction projects, as San Francisco based firms. As of July 2015, architect/engineering and

professional services firms are eligible to bid on SFPUC regional projects and have the status of construction, specialty construction, construction material suppliers, construction equipment rental firms and trucking pursuant to Chapter 14B.5.

Through the PUC-LBE Program's Small Firm Advisory Committee, three annual events are held to enhance LBE participation on SFPUC projects. These events are the Hetch Hetchy Contractor Outreach Workshop; the Contractors Breakfast (held during Small Business Week); and the Women in Construction Conference (in partnership with the National Association of Women in Construction).

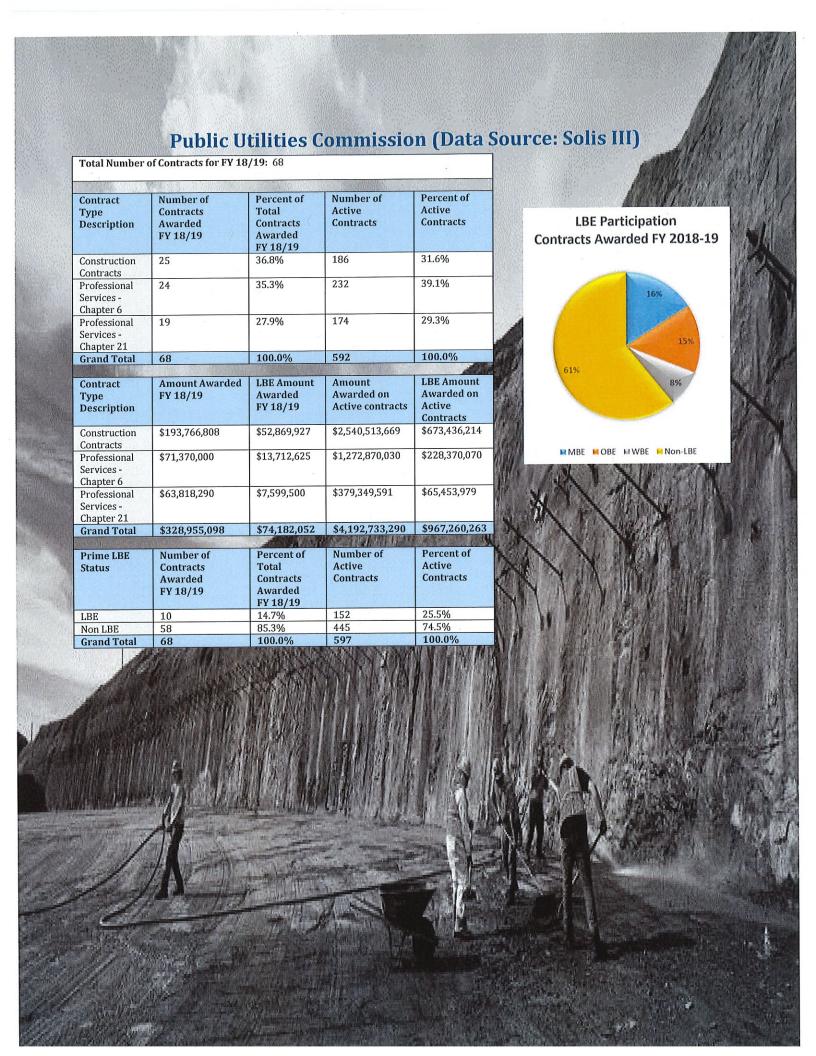


SFPUC issues approximately \$60M worth of Job Order Contracts (JOCs) a year. Roughly \$15M is set aside for Micro Local Business Enterprises.

Through the Contractors Assistance Center, SFPUC provides community contractors with the tools and resources needed to compete for contracting opportunities around the City and on capital projects including SSIP. The Center offers a wide range of services from green infrastructure training programs to one-on-one counseling.

As one of the City's largest employers, SFPUC is dedicated to training, recruiting and hiring residents from our local communities. For more than twenty years, the SFPUC works with its partners to provide internships, apprenticeships, and work experience opportunities to students and early career professionals.

CMD would like to thank General Manager Harlan Kelly, as well as many PUC staff members who are true friends of the LBE community.



Recreation and Parks Department



The Recreation and Park Department (RPD) manages over 225 sites and facilities including parks, recreation centers, pools, golf courses and major tourist destinations including the Golden Gate Park and the SF Marina. The RPD also operates a robust recreation program for both children and adults. Department staffing ranges up to 1,000 employees during peak summer season.

The Recreation and Park Department has two pathways for contracting. The large recreation and park renovation capital projects (both design and construction) are

administered and managed through Public Works. Operations and Maintenance-related projects are administered and managed through the RPD Purchasing and Contracts Division.

RPD Projects

Construction-Related Work

During FY18-19, the RPD issued 54 constructionrelated contracts.

- Formal Contracts 4 of the 5 formal contracts awarded to LBEs
- Micro-Set-Aside Contracts 10 awarded to LBEs.
- SF First Contracts 11/37 awarded to LBEs
- 54 construction contracts 24 awarded to LBEs.

Project highlights include the following

- SF Marina Deguassing Station Renovation
- GGP Bowling Green ADA Project
- McLaren Park Pathways Project
- Visitacion Valley Water Conservation
- Geneva and Sunnyside Fencing
- Page Street Community Garden

Professional Services Contracts



The majority of professional service agreements are administered through Public Works for Capital project design services.

During FY18-19, RPD has developed two professional service as-needed pools:

- As-Needed Historic Resource Evaluation Pool 1 LBE Prime/4 consultants (25% LBE subcontracting goal for all contract).
- As-Needed CM Pool 2 LBE Prime / 4 consultants (25% LBE subcontracting goal for all contracts).

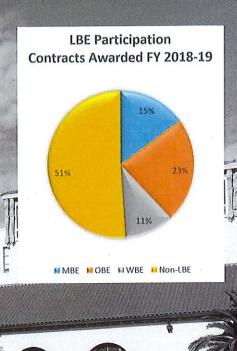
Future Opportunities

- JOC Micro-Set Aside and Formal Contracts w/subcontracting goals
- Formal Contracts w/subcontracting goals
- Micro-Set Aside

CMD would like to thank General Manager Phil Ginsburg and RPD staff for their support of the LBE program, especially for participating in outreach meetings.

Receeation and Parks Department (Data Source - F\$P)

S				
	of Contracts for	FY 18/19: 79		
Contract Type Description	Number of Contracts Awarded FY 18/19	Percent of Total Contracts Awarded FY 18/19	Number of Active Contracts	Percent of Active Contracts
Construction Contracts - Unilateral	72	91.1%	155	89.0%
Professional Services - Chapter 6	7	8.9%	18	10.4%
Professional Services - Chapter 21	0	0.0%	-1	0.6%
Grand Total	79	100.0%	174	100.0%
		A STREET	Valley !	
Contract Type Description	Amount Awarded FY 18/19	LBE Amount Awarded FY 18/19	Amount Awarded on Active Contracts	LBE Amount Awarded on Active Contracts
Construction Contracts	\$19,447,873	\$10,413,671	\$51,688,448	\$30,966,339
Professional Services - Chapter 6	\$3,193,929	\$662,680	\$12,683,651	\$6,254,009
Professional Services - Chapter 21	\$0	\$0	\$90,000	\$0
Grand Total	\$22,641,802	\$11,076,351	\$64,462,098	\$37,220,348
4 3	图 图	A V		J James My
Prime LBE Status	Number of Contracts Awarded FY 18/19	Percent of Total Contracts Awarded FY 18/19	Number of Active Contracts	Percent of Active Contracts
LBE	35	44.3%	85	48.9%
Non-LBE	44	55.7%	89	51.1%
Grand Total	79	100.0%	174	100.0%
Prime	Number of	Percent of	Number of	Percent of
Owner Type	Contracts Awarded FY 18/19	Total Contracts Awarded FY 18/19	Active Contracts	Active Contracts
Minority Business	Contracts Awarded	Total Contracts Awarded		Contracts
Type Minority	Contracts Awarded FY 18/19	Total Contracts Awarded FY 18/19	Contracts	
Minority Business Enterprise	Contracts Awarded FY 18/19	Total Contracts Awarded FY 18/19	Contracts 22	12.6% 51.1% 28.7%
Minority Business Enterprise Non-LBE Other Business	Contracts Awarded FY 18/19	Total Contracts Awarded FY 18/19 12.7%	Contracts 22 89	Contracts 12.6%



CMD 14B Accomplishments for FY 18-19

- Improved 14B Certification average application review processing times from 40 to 37 days.
- Continued to work with Port of SF on their Diversity Initiative. Obtained Legal concurrence to add aspirational language emphasizing desire of City Department(s) to engage contracting teams reflecting diversity of City.
- Continued engagement with various small business trade associations (i.e. Coalition for Economic Equity, Council of Asian American Business Associations, Hispanic Chamber of San Francisco and African American Chamber of Commerce, Nor CAL PTAC).
- Expanded number of CMD certified LBE firms to 1371 (40% increase since Q3 FY16-17)
- Continued to collaborate with Controller's Office to ensure 12B Compliance, 14B Certification, and 14B Monitoring modules function properly.
- Revamp of Wednesday Workshops for the public.
- Partnered with PUC Contractor's Assistance Center and San Francisco Small Business
 Development Center to host workshop on Construction Firms and their access to Capital.
- Collaborated with the City's Risk Manager and Merriweather & Williams & Risk Management to re-vamp Surety Bond Program into full-service Contractor Development Program.
- Extended outreach to/support other LBE training venues (i.e. Turner Construction Management, Clark Construction small business training and Bayview Renaissance.
- Continued development of Contractor Accelerated Payment Program (i.e. project-based financing program) with SF Community Investment Fund, Risk Management Division, and Merriwether Williams Insurance Services.
- 14B Compliance staff monitored ~1,400 contracts
- Completed first Mentor Protégé Program Cohort period.
- Held very first CMD Office Hours session, in which LBEs were able to speak to CMD staff on a one-on-one basis regarding their questions and concerns.
- CMD staffed and organized the first annual LBE Mixer sponsored by the LBEAC.

Policy Updates

Contractor Accelerated Payment Program (CAPP)

The City has been developing a LBE Accelerated Payment Program (i.e. short-term project-based financing program) to forward monies to LBE primes and subcontractors for project-approved invoices on City-funded projects in advance of the City paying the Prime, in order to reduce financial burdens on micro/small LBE firms and provide our LBEs sorely needed access to capital.

During the reporting period, CMD has been developing this program, in coordination with the City's Risk Management Division and Merriwether and Williams Insurance Services (MWIS), through a partnership with the funder, San Francisco Community Investment Fund (SFCIF). The SFCIF is a 501(c)(3) whose main line of business is to empower disadvantaged neighborhoods through issuance of new market tax credits, is serving as the lender. The CAPP has an anticipated launch of August 31, 2019.

Mentor-Protégé Program

Initiated as a pilot in FY 2015-16, the Mentor-Protégé Program (MPP) is designed to encourage and motivate prime contractors to assist CMD certified Micro-Local Business Enterprise (LBE) firms and enhance LBE capability of performing successfully on City and County of San Francisco contracts and subcontracts. The goal is to increase the overall number of LBEs receiving City and County contract awards, resulting from mentorship and refined business practices.

The CMD Micro-LBE Certified firms are assisted in the following areas for improvement such as:

- 1. Organizational/Structural Needs
- 2. Leadership Development Needs
- 3. Financial/Business Infrastructure Needs
- 4. Insurance/Bonding Needs
- 5. Networking/Business Community Engagement Needs

Private Development Agreements

Since 2012, CMD has been working with Prime Developers for Public & Private Partnership Opportunities for LBEs. Our collaboration includes negotiating the design of each LBE participation program tailored to the specific project, developing LBE goals, providing developers with technical assistance to maximize LBE participation, and where necessary, conducting outreach to LBEs regarding the aforementioned procurement opportunities.

Looking Ahead

For FY 2019/2020, CMD will continue to work towards maximizing opportunities in FY 2019/2020.

• Increase Efficiency:

CMD will continue to work towards improving work processes and improving processing and review times.

• <u>Contractor Development:</u>

CMD will continue its efforts in broadening its technical assistance, focusing on business development and business financial literacy. We also look to assist LBEs to become technically proficient where possible to minimize the amount of the small business owner's anxiety as the City moves from paper-based bids/project submittals to fully electronic paradigms.

Access to Capital:

CMD will continue to work in assisting LBEs in finding access to capital through the launch of the SFCIF-CAPP program or any alternative lending programs.

• Access to Workspace/Office Space:

CMD plans to assist LBEs in securing affordable office space, in order to maintain business operations. CMD looks to couple this initiative with possible on-site supportive technical/supportive services.

• Resource Conservation:

To help the City strive for Zero Waste and to comply with environmental policies and ordinances, CMD seeks to improve efforts of reducing paper use and has staff participating as a Zero Waste Coordinator.