

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Romulus Asenloo, Director,
Contract Monitoring Division

April 8, 2022

San Francisco Board of Supervisors
City Hall
1 Dr. Carlton 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 Quarterly Report for Q1-2 FY 21-22 extracted from the Peoplesoft B/I module. The LBE Participation Report documents the LBE contract award statistics on work Citywide.

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 or romulus.asenloo@sfgov.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Romulus Asenloo".

Romulus Asenloo
Contract Monitoring Division
Director

TABLE OF CONTENTS

- I. INTRODUCTION***
 - A. REPORTING REQUIREMENTS OF CHAPTER 14B***
 - B. FINANCIAL & PROCUREMENT SYSTEM (“FSP”)***

- II. BREAKDOWN OF LBE CERTIFIED FIRMS***

- III. EVALUATION OF DEPARTMENTAL PERFORMANCE IN IMPLEMENTATION OF CHAPTER 14B***
 - A. DEPARTMENTAL PARTICIPATION OF LBEs***
 - B. LBE PARTICIPATION OF CERTIFIED FIRMS BROKEN DOWN BY CONTRACT VALUE***
 - C. MBE/WBE/OBE PARTICIPATION BROKEN DOWN BY INDUSTRY***

- IV. CONCLUSION***

I. INTRODUCTION

A. REPORTING REQUIREMENTS OF CHAPTER 14B.

The Director of the Contract Monitoring Division (“CMD”) is required to report departmental performance and progress in effectuating the requirements of the LOCAL BUSINESS ENTERPRISE UTILIZATION AND NON-DISCRIMINATION IN CONTRACTING Ordinance (“LBE Program”) on a quarterly basis.

Per Chapter 14B.15(A), CMD shall issue quarterly written reports for the prior fiscal quarter to the Mayor and the Board of Supervisors. The report documents overall Contract Awarding Authorities' progress toward achieving the goals of this Chapter, including, among other things, overall Contract Awarding Authorities' LBE participation by industry, and based upon MBEs (by ethnicity), WBEs and OBEs.

B. FINANCIAL & PROCUREMENT SYSTEM (“FSP”)

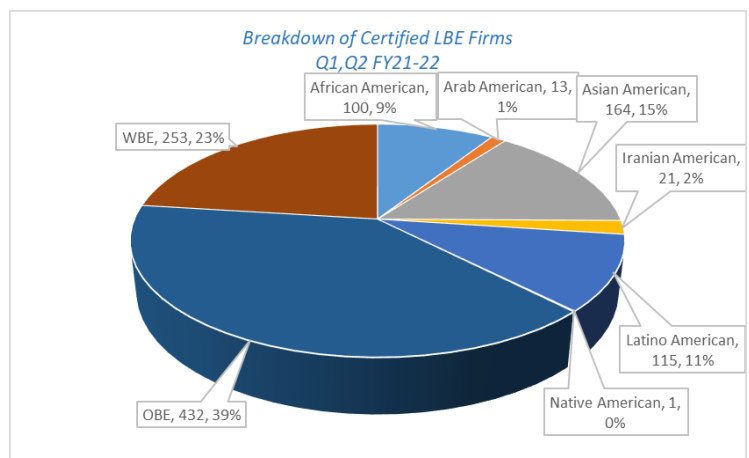
FSP provides the CMD and the Controller’s Office, contracting data about vendors, both prime and subcontractors who were awarded contracts and received City dollars. On July 1, 2017, the System became available for departmental use.

For this quarterly report, the data set consists of all contracting information departments have entered into the System for Quarters 1 and 2, FY 21-22 through FSPs Business Intelligence Module.¹

II. BREAKDOWN OF LBE CERTIFIED FIRMS

At the conclusion of Q1-Q2 FY21-22, the number of certified Local Business Enterprises (i.e. micro-LBEs, Small-LBEs and SBA-LBEs) in the program is 1,151.² Below is a breakdown of all 1,050 micro and small-LBEs (by Ethnicity³ and Gender (self-reported))

LBE Type	Count	%
African American	100	9%
Arab American	13	1%
Asian American	164	15%
Iranian American	21	2%
Latino American	115	11%
Native American	1	0%
MBE Total	414	38%
WBE	253	23%
OBE	432	39%
Total LBEs (micro/sml)	1050	100%



¹ Q1 and 2 data was combined as departments and CMD focused on making changes to Chapter 14B.

² In addition to SF-headquartered LBEs, Chapter 14B also certifies eligible firms that reside in certain zip codes along the Hetch Hetchy Water System Program area (WSIP) and allowed to participate in LBE Program-covered WSIP regional projects.

³ Data for MBE, WBE and OBE total 1099, however 49 are double counted due to claiming both WBE and MBE.

III. EVALUATION OF DEPARTMENTAL PERFORMANCE IN THE IMPLEMENTATION OF CHAPTER 14B

A. LBE PARTICIPATION OF CERTIFIED FIRMS AS PRIME AND SUBCONTRACTORS

Breakdown of LBE participation of certified firms as prime and subcontractors on all contracts. For more details, see Appendix 1.

Contract Type Description	Number of Contracts	Percent of Total	Amount Awarded	LBE Amount Awarded	LBE %
Construction Contracts	42	7.2%	\$ 130,221,932	\$ 38,256,764	29.4%
Professional Services - Chapter 6	26	4.5%	\$ 58,987,473	\$ 25,486,973	43.2%
Professional Services - Chapter 21	157	27%	\$ 515,350,234	\$ 3,136,892	0.6%
Purchasing Contract	274	47%	\$ 11,108,468	\$ 155,500	1.4%
Purchasing Contract - Term Contract	84	14.4%	\$ 133,122,153	\$ 9,468,000	7.1%
General Services					
Grand Total	583	100.0%	\$ 848,790,260	\$ 76,504,129	9.0%

B. LBE PARTICIPATION OF CERTIFIED FIRMS BROKEN DOWN BY CONTRACT VALUE

During this reporting period, of the 583 contracts awarded, LBEs had the greatest ability to participate and win contracts valued between \$5M and \$10M. This equates to approximately \$34M in dollars awarded to LBEs at the Prime and subcontractor levels. Furthermore, there is an additional \$24M in LBE Prime and subcontractor participation for contracts valued between \$1M to \$5M.

Contract Amount	Prime or Sub	LBE Status	Amount Awarded	Percent of Cont Amount Total
< \$1MM	Prime	LBE	\$7,176,953	0.8%
	Prime	Non-LBE	\$42,717,171	5.0%
	Sub	LBE	\$594,611	0.1%
	Sub	Non-LBE	\$ 431,867	0.1%
< \$1MM Total			\$50,920,602	6.0%
\$1MM - \$5MM	Prime	LBE	\$12,254,141	1.4%
	Prime	Non-LBE	\$136,050,919	16.0%
	Sub	LBE	\$12,106,536	1.4%
	Sub	Non-LBE	\$13,378,831	1.6%
\$1MM - \$5MM Total			\$173,790,428	20.5%
\$5MM - \$10MM	Prime	LBE	\$ 9,989,225	1.2%
	Prime	Non-LBE	\$189,873,579	22.4%
	Sub	LBE	\$24,100,105	2.8%
	Sub	Non-LBE	\$9,177,114	1.1%
\$5MM - \$10MM Total			\$233,140,023	27.5%
> \$10MM	Prime	LBE	\$ 9,998,678	1.2%
	Prime	Non-LBE	\$374,239,736	44.1%
	Sub	LBE	\$283,880	0.0%
	Sub	Non-LBE	\$6,416,913	0.8%
> \$10MM Total			\$390,939,206	46.1%
Grand Total			\$848,790,259	100.0%

C. LBE PARTICIPATION OF CERTIFIED FIRMS BROKEN DOWN BY CONTRACT VALUE

Based upon the data entered into FSP by all departments, following is a breakdown of participation of all LBEs broken down by MBE/WBE/OBE during Q1-Q2 FY21-22:

Goals	Construction	Prof Services A & E	Prof Services Ch21	Purchasing	Commodities	GS
MBE	2.8%	12.0%	2.7%	0.8%	0.0%	11.1%
WBE	0.0%	12.0%	3.4%	0.0%	0.0%	11.1%
OBE	16.7%	4.0%	1.3%	7.6%	3.0%	0.0%
Total	19.5%	28.0%	7.4%	8.4%	3.0%	22.2%

IV. CONCLUSION

With the exception of LBE participation in Construction, Architectural and Engineering contracts, CMD concludes that the current data illustrates that MBEs, WBEs continue to be under-utilized on both the prime and sub-level in all of the above identified industries. Of great concern, is the Departments' underutilization of LBEs owned by members of disadvantaged communities in the following industries: Non-A/E Professional Services and Commodity Purchasing.

CMD further concludes that all departments need to maintain their commitment in utilizing micro-LBEs and letting more micro-LBE set aside contracts, as practicable, – especially those contracts/projects that are in or benefit the City’s most disadvantaged communities⁴ through the use of more micro-LBE set asides.

CMD also wishes to acknowledge the work of both CON and Departments’ continuing efforts to ensure that City staff, contractors/subcontractors are entering all required contracting data accurately in a timely manner.

⁴ Disadvantaged Neighborhoods defined as areas in San Francisco identified as HUB Zones and/or qualifying New Market Tax Credit Areas.

Appendix 1
 Q1FY21-22 LBE Participation
 By Ethnicity and Gender

Owner Type	Ethnicity/Race	Amount Awarded	Percent of Total
MBE	African American	\$5,375,717	0.6%
	Arab American	\$3,388,800	0.4%
	Asian American	\$7,929,926	0.9%
	Iranian	\$1,960,000	0.2%
	Latino	\$16,213,628	1.9%
	Mexican	\$438,770	0.1%
	Native American	\$20,000	0.0%
	Other	\$996,656	0.1%
MBE Total		\$36,323,497	4.3%
OBE Total		\$27,655,390	3.3%
WBE Total		\$8,985,242	1.1%
LBE Total		\$72,964,129	8.6%
Non-LBE Total		\$775,826,130	91.4%
Grand Total		\$848,790,259	100.0%

¹ Contract LBE amount total on page 3 is \$3.54M more than the LBE total reflected in this appendix per FSB data. Grand totals match. \$3.54M is included in non-LBE total in this appendix.