

1 [Administrative Code - Establish a Trial Local Business Enterprise Joint Venture and Core
2 Discipline Incentive Program]

3 **Ordinance amending the Administrative Code to establish a trial Local Business**
4 **Enterprise (LBE) incentive program that would allow an LBE joint venture rating bonus**
5 **on professional services and design-build contracts over \$20 million, and allow**
6 **departments to use the amount of LBE subcontractor participation in core disciplines**
7 **as selection criteria in professional services contract procurements.**

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9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
11 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
12 **Board amendment additions** are in double-underlined Arial font.
13 **Board amendment deletions** are in ~~strikethrough Arial font~~.
14 **Asterisks (* * * *)** indicate the omission of unchanged Code
15 subsections or parts of tables.

16 Be it ordained by the People of the City and County of San Francisco:

17 Section 1. The Administrative Code is hereby amended by adding Section 14B.21, to
18 read as follows:

19
20 **SEC 14B.21. ADDITIONAL JOINT VENTURE AND CORE DISCIPLINE INCENTIVE**
21 **TRIAL PROGRAM.**

22 **(a) Joint Venture Incentives For Use By Contract Awarding Authorities.**

23 (1) Prime Professional Services Contracts. For Professional Services and
24 Architecture/Engineering prime Contracts estimated by the Contract Awarding Authority to cost in
25 excess of \$20,000,000, the Contract Awarding Authority may apply a rating bonus as described in

1 subsection (a)(3) to proposals from Joint Ventures with Small and/or Micro-LBE Joint Venture
2 partners. The applicability of the rating bonus shall be clearly identified in the request for
3 qualifications/proposals or other solicitation document.

4 (2) Design-Build Contracts. For Design-Build Contracts estimated by the Contract
5 Awarding Authority to cost in excess of \$20,000,000, Contract Awarding Authorities may apply a
6 rating bonus as described in subsection (a)(3) to proposals from design-builders where the lead
7 designer is a Joint Venture with a Small and/or Micro-LBE Joint Venture partner. The applicability of
8 the rating bonus shall be clearly identified in the request for qualifications/proposals or other
9 solicitation document.

10 (3) Rating Bonus. The following rating bonus may apply where the Director finds that
11 the Small and/or Micro LBE Joint Venture Partner (i) will be responsible for, and has sufficient skill,
12 experience, and financial capacity to perform a clearly defined portion of the work, (ii) shares in the
13 Ownership, Control, management responsibilities, risks, and profits of the Joint Venture at least in
14 proportion to the value of its assigned Joint Venture work, and (iii) performs a Commercially Useful
15 Function:

16 (A) Up to 2% rating bonus to a Joint Venture with LBE prime Contractor or
17 lead design partner participation that equals or exceeds 5% but is less than 10% of the prime level
18 work or design portion of a Design-Build Contract.

19 (B) Up to 4% rating bonus to a Joint Venture with LBE prime Contractor or lead
20 design partner participation that equals or exceeds 10% but is less than 15% of the prime level work or
21 design portion of a Design-Build Contract.

22 (C) Up to 6% rating bonus to a Joint Venture with LBE prime Contractor or lead
23 design partner participation that equals or exceeds 15% of the prime level work or design portion of a
24 Design-Build Contract.

1 (4) The rating bonus shall not apply to any cost portion of the selection or evaluation
2 process.

3 (5) For prime Professional Services Contracts, LBE prime Joint Venture partner
4 participation cannot be used towards meeting the Contract's LBE Subcontractor Participation
5 Requirement. For Design-Build Contracts, LBE lead design Joint Venture partner participation can be
6 used towards meeting the Contract's LBE Subcontractor Participation Requirement. For both
7 Contract types, LBE Joint Venture partner participation can be used towards meeting the good faith
8 outreach exemption in Section 14B.8(B)(1).

9 **(b) Core Discipline Incentives For Use by Contract Awarding Authorities.** For all
10 Professional Services and Architecture/Engineering prime Contracts, Contract Awarding Authorities
11 may, in consultation with the Director, include as evaluation or selection criteria in the Contract
12 procurement, a prime Contractor's use of Micro and/or Small-LBEs in core disciplines to meet the
13 Contract's LBE Subcontractor Participation Requirement. The Contract Awarding Authority shall
14 specify in the request for qualifications/proposals or other solicitation document what trades, scopes of
15 work, or discipline areas will be considered core disciplines for a Contract. The weight of this core
16 discipline selection criteria in the overall selection process will be at the discretion of the Contract
17 Awarding Authority, and shall be clearly identified in the request for qualifications/proposals or other
18 solicitation document.


19 **(c) Sunset Date.** This Section 14B.21 shall expire by operation of law three years from its
20 effective date. Upon its expiration, the City Attorney shall cause Section 14B.21 to be removed from
21 the Administrative Code.

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23 Section 2. Effective Date. This ordinance shall become effective 30 days after
24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
25

1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2 of Supervisors overrides the Mayor's veto of the ordinance.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By:


7 Yadira Taylor
8 Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 170921

Date Passed: October 24, 2017

Ordinance amending the Administrative Code to establish a trial Local Business Enterprise (LBE) incentive program that would allow an LBE joint venture rating bonus on professional services and design-build contracts over \$20 million, and allow departments to use the amount of LBE subcontractor participation in core disciplines as selection criteria in professional services contract procurements.

October 05, 2017 Budget and Finance Committee - RECOMMENDED

October 17, 2017 Board of Supervisors - PASSED ON FIRST READING

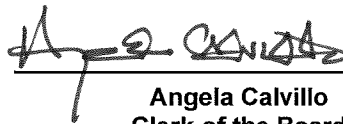
Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy,
Tang and Yee

October 24, 2017 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Tang and
Yee
Absent: 1 - Sheehy

File No. 170921

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
10/24/2017 by the Board of Supervisors of
the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor

11/03/17
Date Approved