



San Francisco Office of the City Administrator

Contract Monitoring Division

Rules and Regulations Changes to the Local
Business Enterprise Program, San Francisco
Administrative Code, Chapter 14B

Wednesday, June 29th Public Hearing

14B Changes-Purpose

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On November 17, 2021, the Mayor signed legislation passed by the Board of Supervisors amending Chapter 14B of the Administrative Code (the "LBE Participation Program").

Purpose of changes:

- Encourage more micro-LBE participation
- Create separate micro, small and SBA-LBE sub-requirements to track how each of these types of businesses do work with the City AND
- Provide enhanced technical and business development assistance through the Contracts Monitoring Division (CMD).

14B Changes Implementation

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These changes will occur in two phases. **Phase 1**, which became effective December 13, 2021, resulted in an increase to LBE certification thresholds.

Category	New Micro	New Small	New SBA-LBE
Public Works Construction	\$12M	\$24M	\$40M
Specialty Construction	\$6M	\$12M	\$20M
Goods/ Materials/ Equipment	\$6M	\$12M	\$20M
Trucking	\$2.5M	\$5M	\$10M
Professional Services	\$2.5M	\$5M	\$8.5M

A business can now qualify to become an LBE based on its annual gross receipts from the prior five years, instead of prior three years.

14B Changes Implementation (cont.)

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Phase 2, effective July 1, 2022, includes the following summary of changes:

- Increases contract penalty amounts and penalties on contractor performance evaluations for violating 14B
- Expedites payment requests from Primes to LBE contractors
- Separates LBE subcontracting requirements for Micro, Small, and/or SBA-LBEs
- Changes specific LBE certification requirements
- Extends the bonding assistance program
- Encourages break up of portions of work when projects are funded by both local and federal and/or state funds

14B Changes Implementation-Pilot Programs

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Phase 2, effective July 1, 2022, includes three pilot programs:

Neighborhood LBE Program

Provides bid discounts to local LBE Primes or Subcontractors bidding on Chapter 6 Construction and Professional Services projects (between \$10K-\$10M) in their San Francisco neighborhood.

Micro-LBE Trucking Pilot

Creates set-sides for Micro-LBE certified trucking firms on Chapter 6 Construction & Public Works projects.

Expansion of the Mentor-Protégé

Provides mentor contractors, bidding on Chapter 6 Construction and Public projects, with up to a 1% Bid Discount (not to exceed \$300,000) and/or a waiver of the good faith outreach requirements.



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Email: LBEcert@sfgov.org