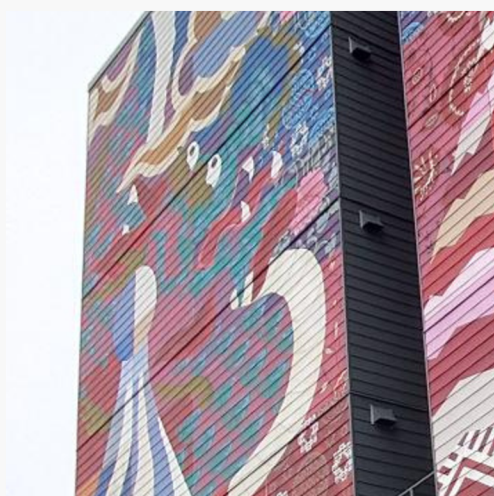




MAYOR'S OFFICE OF  
**HOUSING & COMMUNITY DEVELOPMENT**

# LOCAL BUSINESS ENTERPRISE (LBE) **PROGRAM GUIDE**



# QUICK START GUIDE FOR PROJECT SPONSORS

The LBE Program promotes fairness and partnerships with the small business community to build local projects.



## KICKOFF MEETING

1

To get started, **Project Sponsor** contacts MOHCD and CMD at [privatepublic.cmd@sfgov.org](mailto:privatepublic.cmd@sfgov.org) to schedule a kickoff meeting.

**Project Sponsor** provides project details.

**CMD** sets LBE Subcontractor Goals (%).

Q&A between Project Sponsor and CMD.



## PRE-SOLICITATION

2

**Project Sponsor** sends LBE professional services procurement plan to CMD ([example plan here](#)).

**CMD** reviews procurement plan and provides feedback.



## PROCUREMENT

3

To initiate the solicitation process, **Project Sponsor** requests the Solicitation Request Form from CMD.

**Project Sponsor** sends MOHCD and CMD the professional services (e.g. Architect, Owner's Rep/CM, etc.) and/or General Contractor draft RFP and advertisement details two weeks prior to anticipated advertisement date.



## ADVERTISEMENT

4

**Project Sponsor** shares with CMD the completed External Solicitation Form, the link to the file sharing platform and/or ZIP file with bid package, and any addenda to update website posting.

**CMD** posts advertisement on the SF City Partner website.

**Project Sponsor** conducts pre-proposal meeting with potential proposers and performs LBE outreach.



## SELECTION

5

**Project Sponsor** sends CMD bid tabulation/leveling documents, including proposals, CMD documents, and score sheet (in Excel format) as soon as feasible.

**CMD** confirms LBE rating bonus and selection of firm.



## UPDATE PROCUREMENT PLAN

6

**Project Sponsor** updates the procurement plan to demonstrate they will meet the LBE goal.



## REPORTING

7

**Project Sponsor** downloads the Form 1 [here](#).

**Project Sponsor** submits Form 1 semi-annually to report projected and actual LBE participation.



## SUBSEQUENT PROCUREMENTS

8

**Project Sponsor** repeats steps 2-6 for procuring all professional services and the general contractor. Contact CMD with any questions.

# QUICK START GUIDE FOR GENERAL CONTRACTORS

The LBE Program promotes fairness and partnerships with the small business community to build local projects.



## KICKOFF MEETING

1

To get started, **General Contractor** contacts MOHCD and CMD at [privatepublic.cmd@sfgov.org](mailto:privatepublic.cmd@sfgov.org) to schedule a kickoff meeting.

**General Contractor** provides project details.

**CMD** discusses LBE program expectations.

Q&A between General Contractor and CMD.



## PRE-SOLICITATION

2

**General Contractor** sends LBE construction services procurement plan to CMD ([example plan here](#)).

**CMD** reviews procurement plan and provides feedback.



## PROCUREMENT

3

To initiate the solicitation process, **General Contractor** requests the External Solicitation Form from CMD.

**General Contractor** sends MOHCD and CMD the subcontractor draft solicitation documents (i.e. Invitation to Bid, RFP, etc.), the Notice of Intent to Solicit Bids (NOISB) Form, and advertisement details two weeks prior to anticipated advertisement date.



## ADVERTISEMENT

4

**General Contractor** shares with CMD the completed External Solicitation Form and the link to the file sharing platform and/or ZIP file with bid package.

**CMD** posts advertisement on the SF City Partner website.

**General Contractor** conducts pre-bid meeting (and if applicable, job walk) with potential bidders and performs LBE outreach.



## SELECTION

5

**General Contractor** sends CMD bid tabulation/leveling documents, including bids, CMD documents, and score sheet (in Excel format) as soon as feasible.

**CMD** confirms LBE status and selection of firm.



## UPDATE PROCUREMENT PLAN

6

**General Contractor** updates the procurement plan to demonstrate they will meet the LBE goal.



## REPORTING

7

**General Contractor** downloads the Form 1 [here](#).

**General Contractor** works with Project Sponsor to submit Form 1 semi-annually to report projected and actual LBE participation.



## SUBSEQUENT PROCUREMENTS

8

**General Contractor** repeats steps 2-6 for procuring all subcontractors. Contact CMD with any questions.

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## How to Use this Program Guide

This Program guide is designed to serve as an educational and reference tool for anyone interested in or responsible for the implementation and enforcement of the Mayor's Office of Housing and Community Development's Local Business Enterprise (MOHCD LBE) Program. This guide contains general information about the Program's purpose and structure, as well as detailed information about administrative procedures.

All readers are encouraged to review the guide from end-to-end at least once to develop a holistic understanding of the Program, but you can also quickly reference sections of interest to you using the table of contents on the prior page.

### Tips for Readers

- **If you are an LBE**, you likely will want to understand [certification requirements](#), how the [Program may benefit you](#), and [how you can seek assistance if you're having issues with the Program](#).
- **If you are a Project Sponsor**, you should have a basic understanding [of how the Program works](#), familiarize yourself with [technical terminology](#), and [understand what your role in administering the Program is](#).
- **If you are a Prime Contractor**, you will likely want to [understand the Program's purpose](#) and [understand your responsibilities in LBE and other small business outreach, procurement, and contract management](#).



## Program and Policy Context

### What is MOHCD?

The Mayor's Office of Housing and Community Development (MOHCD) supports San Franciscans with affordable housing opportunities and essential services to build strong communities. In addition to providing direct support services to San Francisco residents – like eviction prevention and financial education – MOHCD also oversees the creation, preservation, and financing of housing and community infrastructure projects.

### How does MOHCD approach its mission of preserving and building housing and developing community infrastructure?

MOHCD functions similarly to a bank or community lender. While MOHCD itself does not directly build or oversee construction projects, MOHCD issues grants and loans to community organizations and developers with visions for capital projects identified through competitive selection processes. Those community organizations and developers, often referred to as “Project Sponsors” or “Grantees,” then enter into contracts with architects, engineers, and construction firms to realize their housing, community facilities, and infrastructure projects.

### What is the MOHCD LBE Program?

Because of the high levels of financial capital involved in housing, community facilities, and infrastructure development projects, MOHCD recognizes that the many projects it invests in are about more than erecting or renovating physical buildings – they are also a pathway to building community wealth through contracting with small businesses.

To that end, MOHCD has voluntarily established a Local Business Enterprise (LBE) Program for the capital projects it finances. As part of their funding agreements with MOHCD, Project Sponsors/Grantees and any Prime Contractors they work with agree to design their procurement and contracting opportunities in a way that maximizes LBE inclusion. This includes using strategies like intentional outreach to LBEs, LBE subcontracting goals, bid discounts/rating bonuses, and unbundling contracts to right-size project opportunities for LBEs. More information on LBE inclusion practices is provided later in the [Program](#)



[Requirements section](#) of this guide. This guide supplants the former SBE Guides published by MOHCD and CMD.

## What are the LBE Program's key objectives?

- 1 Foster a strong and vibrant network of micro and small businesses in San Francisco
- 2 Create opportunities for small businesses to participate in projects in San Francisco that build their capacity to eventually compete outside of the Program
- 3 Remove barriers for certified LBEs in the bidding, award and administration of MOHCD projects, especially those located in disadvantaged neighborhoods such as 94124, 94110, 94134, 94107, 94103

## How does MOHCD's LBE Program differ from other small business inclusion programs?

Many federal, state, and local public agencies have small business inclusion programs designed to help small firms compete on government contracts. The City and County of San Francisco also has a Citywide Local Business Enterprise (LBE) program, often referred to as "14B" for the chapter of the Administrative Code that codifies the Citywide LBE program into law. The Citywide LBE program is overseen by the City's Contract Monitoring Division (CMD), which also supports the administration of MOHCD's LBE Program.

For the purpose of this manual, the key differences between MOHCD's LBE Program, the Citywide LBE program, the State of California's small business programs, and federal small business programs are the project funding sources and the requirements that the funding sources can impose on contractors, grantees, and financial award recipients.

The Citywide LBE program applies to projects funded entirely through City sources, and its program requirements mandate participation by San Francisco certified LBEs. MOHCD-financed projects, on the other hand, are often funded through a mixture of federal, state and local sources. These funding sources may have their own guidelines for small business inclusion and/or outreach. For this reason, MOHCD projects have LBE goals and not LBE requirements. Similarly, projects with federal capital funding, like the Community Development Block Grant (CDBG) or the HOME Investment Partnerships Program, are subject to federal regulations requiring outreach to small businesses, minority businesses, women's business enterprises, and veteran-owned businesses, which may include firms outside of San Francisco.

## Example of a Project's Lifecycle

MOHCD's LBE Program has many moving pieces and involves many different participants. Below is a simplified example of a project's lifecycle to help readers understand how the Program works. Depending on the specific project, there may be other activities, and the order of activities may vary.

### 1 *Notice of Funding Availability Issued*

MOHCD receives funding to finance community development and housing projects. MOHCD then issues either a Request for Proposals (RFP) or a Notice of Funding Availability (NOFA) to community organizations and developers articulating its overall vision and conditions for funding, which typically includes local and small business inclusion.

### 2 *Project Sponsors/Grantees Selected and Overall LBE Goals Set*

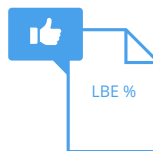
MOHCD selects projects that community organizations and developers propose through a competitive process. The awarded community organizations and developers become "Project Sponsors" for housing projects and "Grantees" for facilities projects and negotiate project agreements with MOHCD that include LBE participation and small business outreach requirements, among other terms and conditions.

### 3 *Project Sponsor/Grantee Works with CMD to Achieve Project-Specific LBE Goals*

To execute their projects, Project Sponsors/Grantees may need to hire various professionals — such as architects, engineers, General Contractors, and owner's representatives — as Prime Contractors to support the work. Project Sponsors/Grantees share their plan to procure these services and the drafts of their Requests for Proposals/Bids with CMD, who then advertises the opportunities on the [City's bid portal](#) and works with Project Sponsors/Grantees to achieve the LBE goals on the contracts, as applicable.

### 4 *Project Sponsor/Grantee Conducts Outreach to LBEs to Procure Needed Services*

Project Sponsors/Grantees conduct outreach to LBEs and other small businesses, encouraging them to bid at the prime level or to pursue subcontracting opportunities for professional and construction services once the Prime Contractors are selected.



## 5 ***Project Sponsor/Grantee Selects Prime Professional Services Consultants and General Contractors***

After proposals come in, Project Sponsors/Grantees evaluate responses based on the criteria published in the RFP and apply any applicable rating bonus or bid discount for LBE applicants. Project Sponsors/Grantees present their bid discount/rating sheets and recommendations for selection to the City for review and approval. Following the City's review, Project Sponsors/Grantees award contracts and incorporate LBE and small business inclusion provisions in the contract's terms and conditions.

## 6 ***Prime Contractors Share Procurement Plans with CMD and Set LBE Goals***

As the work commences and more professional services or contracting services are required, Project Sponsors/Grantees and any of their Prime Contractors (General Contractors, Architects, etc.) continually share their procurement plans with CMD to assess opportunities for LBE participation prior to letting out any additional subcontracts.

## 7 ***CMD Monitors MOHCD LBE Program***

CMD monitors Project Sponsors'/Grantees' and Prime Contractors' compliance with the Program, looking for opportunities for continuous improvement or helping resolve conflicts that may arise.

## 8 ***Project Sponsors/Grantees Report on LBE Participation***

Project Sponsors report on LBE participation among prime and subcontracts back to CMD to ensure Program accountability and review the efficacy of the Program.

## 9 ***Final Reports***




Once the project is complete, Project Sponsors/Grantees submit a final report to CMD and MOHCD.





## Roles and Responsibilities

The success of the MOHCD LBE Program is dependent upon many different groups of people working collaboratively towards a shared vision of community growth and prosperity. Generally, MOHCD and CMD are responsible for developing, administering, and monitoring the Program's overall policies, guidelines, and implementation. Project Sponsors/Grantees are responsible for educating themselves and their Prime Contractors about the Program and working with MOHCD and CMD to set project-specific goals and expectations. Both Project Sponsors/Grantees and Prime Contractors are then responsible for managing procurements and contracts based on those project-specific goals and expectations. Finally, LBEs and small businesses are responsible for maintaining their certification and fulfilling their contractual obligations.

More detailed summaries of roles and responsibilities can be found in the following section.

	Partner	Primary Responsibilities
Public Sector Entities	 Mayor's Office of Housing and Community Development	Developing Program policies, setting project goals collaboratively with Project Sponsors/Grantees, assisting with RFPs/selection criteria, reviewing ratings and selections, and providing other technical assistance
	 Contract Monitoring Division	Implementing and monitoring the Program
Private and Nonprofit Sector Entities	 Project Sponsors/Grantees	Overseeing and reporting on goal progress, procuring and managing contracts as outlined in funding agreement

	 <p>General Contractors and Architects)</p>	<p>Procuring and managing contracts in a way that maximizes LBE participation</p>
	 <p>LBEs and other certified small businesses</p>	<p>Maintaining certification and fulfilling contractual obligations</p>



## Responsibilities of MOHCD

**Policy and Project Setting:** MOHCD administers funding from local sources, state agencies, and federal agencies to finance housing, infrastructure, and community capital development projects. Based on its agreements with state/federal funders and its own policy priorities, MOHCD then publishes either a Request for Proposals (RFP) or a Notice of Funding Availability (NOFA) announcement articulating goals, visions, and the evaluation process for determining how Project Sponsors/Grantees will be selected and their projects funded.

**Program Planning:** To support the success of this Program, MOHCD meets and confers with CMD on a regular basis to discuss active and prospective development projects and issues of mutual concern.

**Project Negotiations and Contracting:** As one of the lead City agencies in setting the framework for housing, infrastructure, and community development projects, MOHCD works closely with Project Sponsors/Grantees to define project visions and project requirements. MOHCD will then codify project terms and conditions in funding agreements with Project Sponsors/Grantees.



## Responsibilities of CMD

**Program Administration:** CMD is the primary City entity responsible for the ongoing administration and monitoring of the Program. CMD's responsibilities include:

- Identifying and verifying businesses as LBEs per the Program's [eligibility requirements](#)

- Developing policies and guidance to orient prospective and certified LBEs to MOHCD/CMD contracting opportunities, procedures, practices, and Program requirements
- Providing information and other assistance to LBEs to increase their ability to compete effectively for the award of contracts
- Encouraging LBEs to provide feedback to CMD, MOHCD, and Project Sponsors/Grantees on existing barriers to participation and to identify effective procedures to eliminate those barriers
- Providing technical assistance and guidance to Project Sponsors/Grantees so that they can fulfill the requirements of this Program
- Monitoring Project Sponsor's utilization of LBEs on each project through an established reporting procedure and ensuring that Project Sponsors/Grantees are collecting and analyzing the necessary contracting data biannually, or more often if deemed necessary, to submit required reports
- Gathering, validating, and synthesizing information from Project Sponsors/Grantees and/or Prime Contractors to report on the progress of each project at the end of each fiscal year to City leadership, including the Mayor and the Board of Supervisors
- Taking additional actions as necessary to ensure compliance and correct any practices that hinder equal business opportunities for LBEs

**Investigation and Enforcement:** In addition to overseeing the regular operations of this Program, CMD also investigates potential violations of Program policies and determines any necessary corrective measures. This includes:

- Subpoenaing persons, records, books, and documents for an investigation or an audit to further the purposes of this Program when necessary
- Attempting to resolve noncompliance with this Program by any Project Sponsor/Grantee, Bidder, Contractor, or Subcontractor through informal processes, such as conference and conciliation
- Imposing any of the penalties outlined in the [Accountability and Enforcement](#) section of this Program guide on a Bidder, Contractor, or Subcontractor who fails to comply with this Program, provided that any violation is based on a substantiated finding
- Levying the same penalties and/or determining breach of LBE Program contracting provisions as specified under the City's development agreement and/or loan agreement

- Responding to and reconsidering, as appropriate, appeals challenging CMD's decisions to disqualify a Bidder or Contractor
- Referring all non-compliance to MOHCD
- Investigating and, when appropriate, facilitate solutions over any performance or payment related complaints between Project Sponsors/Grantees, Contractors, and LBEs.



## Responsibilities of the Project Sponsor/Grantee

**Tip:** [Check out the Project Sponsor Quick Start Guide](#) to get your project running!

**Goal Setting and Project Management:** The Project Sponsor (or its delegated representative) acts as the primary administrator of development projects, coordinating updates to the City and managing relationships with the firms that do the actual work of design, construction, or construction management. The Project Sponsor's/Grantee's leadership and coordination are critical to getting all parties aligned on project expectations and developing a framework for project success. The Project Sponsor/Grantee is responsible for:

- Providing procurement plans to CMD for review/approval as to how it plans to utilize LBEs during the professional services phase of the project (and construction phase of the project, if applicable)
- Encouraging Prime Contractor(s) to include LBEs from the project area (i.e., zip code) as part of the subcontractor team
- Implementing measures to meet LBE participation goals

**Compliance:** To ensure the Program is being properly implemented, the Project Sponsor/Grantee is also responsible for adhering to all requirements outlined in the [Program Requirements section](#) of this guide and for providing CMD with all requested information and reports to demonstrate compliance.



## Responsibilities of the Project Sponsor/Grantee and/or Prime Contractors

**Tip:** *The construction phase is often one of the most procurement-intensive phases of a project. [If you're a General Contractor, check out this Quick Start Guide!](#)*



**Procurement and Contracting:** Depending on the specific structure of project teams and the project phase, procurement and contract management responsibilities may be assumed by the Project Sponsor/Grantee AND/OR Prime Contractor(s) selected by the Project Sponsor/Grantee. Any party responsible for letting out contracts or subcontracts related to MOHCD-funded projects will implement the following procedures:

- Scope projects and draft solicitations in a way that encourages LBE participation and clearly identifies the selection criteria and ratings bonus (for multiple criteria proposals) or bid discount (for lowest qualified bid proposals).
- Conduct good faith efforts to maximize LBE participation in projects where appropriate, breaking down large contracts, advertising, conducting outreach, setting aside smaller value contracts for Micro LBEs, etc. as outlined in the [Program Requirements section](#) of this Program guide
- Apply rating bonuses or bid discounts when evaluating proposals/bids from any Prime Contractor, including but not limited to the selection of the Architect and General Contractor as outlined in the [Program Requirements section](#)
- Provide scoring tabulation to CMD for review
- Notify all LBEs and small businesses who participated in a procurement process of award decisions, regardless of whether the LBE itself was selected
- Ensure that all LBEs are performing a Commercially Useful Function (see Definitions).
- Where practical, provide constructive feedback to any LBE proposer who inquires as to the reasons they were not selected

**Payment Management:** Timely payments are a critical practice for supporting subcontractors and small business capacity. Project Sponsors must include a provision in agreements with their Prime Contractors that all subcontractors will be paid within three days of the Prime Contractor receiving payment.



## Responsibilities of LBEs and other Small Businesses

**Maintaining Certification:** LBEs also have their responsibilities to fulfill. LBEs must adhere to the [Certification requirements](#) of this Program.

**Fulfilling Contractual Obligations:** Once awarded either prime or subcontracts, LBEs should complete their scopes of work as outlined in their contracts.

## Program Benefits and Eligibility (for LBEs)

### Program Benefits ✓

LBEs who participate in MOHCD's Program can qualify for the following benefits:

- Be included on solicitation outreach lists
- Land opportunities in housing and community development projects funded by MOHCD
- Receive bid discounts or rating bonuses on bids and proposals
- Count towards Prime Contractors' subcontracting goals
- Receive technical assistance and capacity building support

### Program Eligibility

The MOHCD LBE Program is a size-based and location-based program. Small businesses are eligible for MOHCD Program benefits if they are certified under the City's LBE program as a micro- or small-LBE. The business must meet the economic size thresholds outlined in the [Economic Size Standards](#) section below.

### Certification

Certification is one of the most essential components of the MOHCD LBE Program. Certification helps ensure the Program is benefitting its target population, and it helps Program administrators and policymakers monitor the overall effectiveness of the Program. Businesses can learn about certifying here: [City's LBE Program](#)

#### • M/W/OBE Recognition

In addition to certification as a small San Francisco business, a firm may also voluntarily choose to be recognized as a Minority-owned Business Enterprise (MBE), Women-owned Business Enterprise (WBE), or Other Business Enterprise (OBE). While California's Constitution prohibits the City from setting procurement goals based on race or gender, recognition as an MBE, WBE, or OBE can help the City better monitor and address non-discrimination in contracting and subcontracting. M/W/OBE recognition can also support reporting requirements for the State of California's Housing Supplier Diversity program, which was codified into law under [AB 2873](#).

Recognition in each of the categories is based on the following principles:

- **MBE Recognition:** LBEs owned and controlled by one or more minority persons, which includes people who identify as members of one or more of the following racial or ethnic backgrounds (based upon U.S. HUD definitions):
  - American Indian, Native American, or Alaska Native
  - Asian or Asian American
  - Black or African American
  - Native Hawaiian or Pacific Islander
  - Latino (Latinx/Latine) or Hispanic
  - Middle Eastern or North African
- **WBE Recognition:** LBEs owned and controlled by one or more women.
- **OBE Certification:** LBEs that are not owned by one or more minority persons or one or more women, but do have a primary business location in San Francisco.

*Please note: [LBE Form 1](#) also asks for optional, self-reported data on racial/ethnic background of firm ownership for reporting purposes. Formal M/W/OBE recognition is an additional option available to firms beyond reporting through LBE Form 1.*

## Economic Size Standards

To be eligible for the MOHCD LBE Program, a firm's average annual gross receipts over a five-year period cannot exceed the thresholds listed below for different business categories. These thresholds are current as of January 1, 2025, and are valid until December 31, 2029. The City adjusts thresholds every five years based on fluctuations in the Consumer Price Index.

Industry	Certification Size Standards
General Construction (A & B Licenses)	\$28,100,000
Specialty Contractors (C & D Licenses)	\$14,050,000
Professional Services (incl. A/Es)	\$5,860,000
Goods and Materials Suppliers, General Services	\$14,050,000
Trucking	\$5,860,000
Micro-LBE Architect	\$2,930,000

## Program Requirements

### (for Project Sponsors/Grantees and Prime Contractors)

Project Sponsors/Grantees and Prime Contractors (Architects, General Contractors, etc.) are required to fully engage in goal setting, good faith efforts, rating bonus applications (if applicable), and other Program requirements to maximize opportunities for LBEs and ensure the MOHCD LBE Program operates as intended.

### Good Faith Efforts

The following requirements are actions Project Sponsors and Prime Contractors should take to engage with LBEs.

#### Right-sizing Large Contracts

[Research suggests that “unbundling” contracts can help small businesses compete for contracts, as smaller contract sizes may be more aligned to small business’ capacity.](#) Where appropriate, the Project Sponsor and Prime Contractors should divide anticipated scopes of work into multiple contracts and establish project delivery schedules that can help maximize LBE participation or encourage joint venturing. Project Sponsors and Prime Contractors should identify specific items/scopes of each contract on their procurement plans that LBEs may be able to perform.

#### Open Advertising

For contracts above the Minimum Competitive Amount or Threshold Amount (which is updated every five years), Project Sponsors and Prime Contractors must work with CMD to advertise all professional services and contracting opportunities for at least 30 days on the [City's SF City Partner website](#). Shorter time periods or deviations from the 30-day requirement will require CMD approval. Additionally, Project Sponsors/Grantees and Prime Contractors should notify trade associations and organizations that disseminate information and/or provide technical assistance to LBEs.

## Outreach and Other Assistance

Project Sponsors/Grantees and Prime Contractors are expected to conduct outreach to LBEs for all consulting/contracting opportunities in applicable trades and services to encourage participation. Project Sponsors/Grantees and Prime Contractors are strongly encouraged to also host pre-bid meetings at least 15 days prior to bid/proposal due date, and invite LBEs to submit bids/proposals. Deviations from the 15-day suggested timeframe may be approved in consultation with CMD.

Project Sponsors/Grantees and Prime Contractors should follow-up on initial solicitations of interest by contacting LBEs to determine with certainty whether they are interested in performing specific items in a project. If necessary, Project Sponsors/Grantees and Prime Contractors should also provide a list of LBEs to prospective bidder(s) so that they can conduct outreach to meet their own subcontracting and /or lower-tier requirements/needs.

## LBE Engagement & Utilization Requirements

The following requirements are actions Project Sponsors and Prime Contractors should take to engage with and improve LBE utilization.

### Micro LBE Set-Asides

Similar to the right-sizing concept, Project Sponsors and Prime Contractors are also encouraged to set aside some smaller project scopes (i.e., contracts valued at or under the City's Threshold Amount for construction and General Services) that only Micro LBEs can compete for.

### Subcontracting Goal Setting

***Tip: Check out Steps 1 and 2 of the [Project Sponsor Quick Start Guide](#) and the [General Contractors Quick Start Guide](#) to initiate goal setting conversations!***

Goal setting helps transform a broad vision into manageable targets. Goal setting can occur in various phases of a project: During the project negotiation phase, when MOHCD, CMD, and the Project Sponsor determine an overall LBE goal; or after project work has commenced, when Project Sponsors and Prime Contractors convene with CMD before they begin procuring for any necessary professional or construction services.

The specific process for goal setting may differ based on each project's unique funding, legal, and work context, but it will typically include an assessment of the number of LBEs that might be available for a line of work, the anticipated value/cost of the work, and other feasibility considerations. After goals are set, they are codified and shared in formal documents, such as financial agreements, development agreements, solicitation documents, and contract documents.

## Application of Bid Discounts/Rating Bonuses

Because small businesses may not be able to reach economies of scale in their pricing or cost models in the same way that large firms can, the MOHCD LBE Program also includes a bid discount/rating bonus component designed to help level the competitive bidding field. A proposer that is certified as a LBE, or that includes an LBE as part of its proposal team, is eligible to receive the applicable rating bonus. The rating bonus is applied where selection is based on a point system for multiple-criteria evaluation. The rating bonus applies to any scored stage of the selection phase – including bid/proposal review, interviews, or any other scored demonstrations. Bid discounts, on the other hand, are customarily applied to small projects for which the selection criterion is strictly the lowest qualified bid. The percentage of the bid discount and/or rating bonus to be applied is defined in the table below.

If the contractor or consultant is a(n)...	Apply a Bid Discount or Rating Bonus of...
LBE Prime	10%
Joint Venture/Association with <b>Micro</b> LBE partner(s)*	10%
Joint Venture/Association entirely made up of LBE partners	10%
Joint Venture/Association with LBE partner(s)**	7.5%

### ***\*Special Note on Joint Ventures/Associations for Architecture proposals:***

Joint Ventures/Associations with Micro-LBE partner(s) will receive a 10% rating bonus. To be eligible for the 10% rating bonus, the Micro LBE partner(s) must perform a minimum of 25% of the work proposed to be performed by the Joint Venture/Association.



### **\*\*Special Note on all Joint Ventures/Associations with LBE Partner(s)**

To be eligible for the 7.5% rating bonus, the LBE partner(s) must perform at least 40% of the work proposed by the Joint Venture/Association.

The LBE partner(s) in Joint Ventures must be an active partner in performing a Commercially Useful Function at the prime level; managing the job; taking financial risks in proportion to the required level of participation stated in the bid documents; holding responsibility over a clearly defined portion of the work to be performed; and sharing proportionately in the Ownership, Control, management responsibilities, risks, and profits as appropriate.

The LBE partner(s) in Joint Associations do not have to share proportionately in Ownership, Control, financial risks, or profits. The Joint Association includes a written association agreement that defines the technical and managerial responsibilities of the parties, and defined scopes and percentages of work to be performed by each party with its own resources and labor force.

The portion of the LBE Joint Venture/Association partner's work shall be set forth in detail separately from the work to be performed by the non-LBE Joint Venture/Association partner. The LBE partner's portion of the Contract must be assigned a commercially reasonable dollar value.

### **Prompt Payment and Disputes**

Contractors must pay their LBE subcontractors within three days of receiving their own project payments. In cases of dispute over a Subcontractor's completion or quality of work, Project Sponsors or Prime Contractors may withhold the amount of pay related to the disputed work but must proceed with paying the undisputed amount. The Project Sponsor or Prime Contractor must notify CMD in writing at least ten (10) working days prior to receiving payment that there is a bona fide dispute with the subcontractor. CMD will consider the merits of the dispute and then determine whether a bona fide dispute exists. CMD may then waive this three-day payment requirement for the disputed work.

## Information Transparency

Project Sponsors/Grantees and Prime Contractors must directly and broadly disseminate plans, specifications, requirements, and Requests for Qualifications/Proposals for all or part of a project to LBEs.

## Documentation and Reporting Requirements

### Documentation

Project Sponsors/Grantees and Prime Contractors should document any efforts undertaken to encourage participation by LBEs. Additionally, Project Sponsors/Grantees and Prime Contractors should keep track of bid tabulations, bid leveling, scoring, and all documentation associated with the award of each contract (e.g. the date that each response, proposal or bid was received, including the amount bid and the amount to be paid). Project Sponsors and Prime Contractors must provide, upon request, documentation that explains the selection process for each contract. If the Bidder/Proposer asserts that there were reasons other than the respective bid amounts or other qualifications for not awarding the contract to or selecting an LBE, Project Sponsors and/or Prime Contractors must be prepared to provide valid reason(s) for any rejections.

### LBE Utilization Reporting

Project Sponsors and Prime Contractors are responsible for collecting LBE forms and information requested by CMD, including but not limited to LBE Form 2; reporting on LBE utilization; and providing supporting documentation to MOHCD and CMD in January and July, or as requested by MOHCD or CMD. LBE utilization on a project will be calculated based upon total contract amounts awarded.

The purpose of this reporting is for (1) CMD to determine the Project Sponsor's utilization compared to the goal; (2) to ensure that Prime Contractors have complied with their commitments to use LBE subcontractors; (3) to track LBE joint venture utilization; and (4) to ensure LBEs are performing services as set forth in the bid/proposal. While CMD looks to ensure the LBE rating bonus is being applied at the Prime level and an LBE goal at the subcontracting level, the overall reporting on the project is a holistic look at all LBE participation at both the Prime and subcontractor level.

## Other Requirements ...

### **Incorporation of Program into Contract Provisions**

Each awarded contract related to an MOHCD-sponsored project must incorporate this MOHCD LBE Program by reference and require Project Sponsors and Prime Contractors to comply with the Program's provisions in awarding and administering subsequent, project-related subcontracts. Contracts must also stipulate that willful failure of any Project Sponsor or Contractor to comply with the requirements of this Program will be deemed a material breach of contract. Additionally, contracts must include provisions that require the following:

- Contractors must follow [Good Faith Efforts](#) when letting out subcontracts to maximize LBE participation.
- Contractors must acknowledge that in the event that CMD finds that any Project Sponsor, Bidder, Contractor, or Subcontractor willfully fails to comply with any of the provisions of this Program, rules and regulations implementing the Program, or contract provisions, the Project Sponsor, Bidder, Contractor, or Subcontractor may be subject to investigation and findings.
- Contractors and Subcontractors must maintain records necessary for monitoring their compliance with this Program for three years following completion of the project as stipulated in this guide or as requested by CMD. Contractor and Subcontractors will permit CMD and the City's Office of the Controller to inspect and audit such records.
- Contractors must fulfill the LBE participation commitments and acknowledge that willful failure to comply with the level of LBE subcontractor participation specified in the contract shall be deemed a material breach of contract and/or loan terms.
- Where contracts are increased through amendment, modifications, or change orders, Contractors will continue to honor the provisions of the original contract unless otherwise agreed upon with MOHCD and CMD.

- Contractors will not engage in back contracting to the Prime Contractor or lower tier subcontracting for any purpose inconsistent with the provisions of this Program or contract provisions pertaining to LBE utilization.
- Contractors will include a provision in any subcontract agreeing to pay each Subcontractor no later than three days after receipt of their own project payment. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to their Sub-subcontractors in a similar manner.
- Contractors will include a provision in any subcontract requiring compensation to any LBE Subcontractor for damages for breach of contract or liquidated damages equal to 5% of the subcontract amount, whichever is greater, if the Prime Contractor willfully fails to comply with its commitment to use the LBE Subcontractor as specified in the Bid, unless CMD and MOHCD both give advance approval to the Prime Contractor to substitute Subcontractors or otherwise modify the commitments in the Bid documents. This provision shall also state that it is enforceable in a court of competent jurisdiction.

## **Insurance and Bonding Counseling**

To address common issues related to accessing lines of credit, insurance, and bonding that LBEs often encounter, Project Sponsors and Prime Contractors should have project management staff available to explain the project's insurance and bonding requirements, answer questions about requirements, and suggest governmental or third-party avenues of assistance.

## **Substitution of LBE Subconsultants and Suppliers**

There may be times when there are bona fide reasons for terminating an agreement with an LBE. In such instances, the Project Sponsor and/or Prime Contractor must notify and seek written approval from both CMD and MOHCD prior to any terminations or substitutions of LBEs. The Project Sponsor and/or Prime Contractor should provide documentation explaining its rationale for termination or substitution in its request to CMD and MOHCD. Following such terminations or substitutions, the Project Sponsor and/or Prime Contractor must make good faith efforts to substitute another LBE for the original LBE subconsultant/subcontractor.

Project Sponsors and Prime Contractors are prohibited from terminating an LBE subconsultant/subcontractor for convenience and then performing the work with their own employees.

### **Program Monitoring and Proactive Partnership**

Project Sponsors and Prime Contractors must permit CMD to monitor consultant/contractor selection processes and should be open to suggestions from CMD on maximizing LBEs' ability to complete and win procurement opportunities. Project Sponsors and Prime Contractors should make timely requests to CMD for assistance when issues relating to LBE participation arise, such as prompt payment or substitutions. Project Sponsors should require all Prime Contractors and Subcontractors to utilize any tracking system as required by the Project Sponsor for tracking LBE participation.

## Accountability and Enforcement

### CMD's Proactive Monitoring

Strong accountability mechanisms are key to the MOHCD LBE Program's success. When instances of Program deficiencies or compliance are brought to CMD's attention, CMD will work with the responsible parties to convene a meeting focused on improvement and opportunities to remedy the situation. In addition, CMD will take the following proactive monitoring and enforcement actions as necessary:

- Monitor the Project Sponsor's utilization of LBEs on each project using the required January and July reports referenced in [Documentation and Reporting Requirements](#) section of this guide and validate report data.
- Investigate and issue findings on potential violations of this Program.
- Attempt to resolve noncompliance with this Program by any Project Sponsor, Bidder, Prime Contractor, or Subcontractor for through informal processes, including conference and conciliation.
- In consultation with MOHCD, impose any of the following on a Bidder/Proposer, Prime Contractor, or Subcontractor who fails to comply with this Program:
  - Reject all bids/proposals
  - Declare a project sponsor and/or bid/proposal non-responsive
  - Assess penalties
  - Deny certification
  - Revoke certification
  - Refer all non-compliance to MOHCD

### Obligation to Cooperate and Right to Appeal

In the event that it becomes necessary to substantiate any allegations of noncompliance or violations of this Program, Project Sponsors, Bidders, Contractors, and Subcontractors must provide CMD with any information that it deems relevant and must cooperate in all other respects of an investigation.

CMD will identify the records required and the timeline for a response in its request for information. If a Project Sponsor, Bidder, Contractor, or Subcontractor fails to respond to the request for information, or otherwise fails to cooperate in the investigation, appropriate penalties may be imposed.

Project Sponsors, Bidders, Contractors, and Subcontractors have the right to appeal the findings and determinations made by CMD. Appeals must be material and substantive in their claim; any appeals deemed insubstantial, frivolous, or conducted in bad faith may be dismissed. Appeals will be heard by the Office of the City Administrator or its designee. The Office of the City Administrator or its designee can sustain, reverse, or modify CMD's findings and penalties imposed, or take other actions in furtherance of the objectives of this Program. Unless explicitly stated by the Office of the City Administrator, an appeal does not stay CMD's findings or imposition of penalties.



## Definitions

**"Back Contracting"** shall mean any agreement or other arrangement between a prime contractor and its subcontractor that requires the prime contractor to perform or to secure the performance of the subcontract in such a fashion and/or under such terms and conditions that the prime contractor enjoys the financial benefits of the subcontract. Such agreements or other arrangements include, but are not limited to, situations in which either a prime contractor or subcontractor agrees that any term, condition, or obligation imposed upon the subcontractor by the subcontract shall be performed by or be the responsibility of the prime contractor.

**"Bid"** means a quotation, proposal, solicitation, or offer by a Bidder, Contractor, or consultant to perform or provide labor, materials, equipment, supplies, or services for a price.

**"Bidder"** means any business that submits a bid or proposal for professional services and/construction services,

**"Bid Discount"** means the downward adjustment in determining the lowest bid, typically used in Lowest Qualified Bid Solicitations.

**"City"** means the City and County of San Francisco.

**"Commercially Useful Function"** shall mean that the business is directly responsible for providing the materials, equipment, supplies or services as required by the solicitation or request for quotes, bids or proposals. Businesses that engage in the business of providing brokerage, referral or temporary employment services shall not be deemed to perform a "commercially useful function" unless the brokerage, referral or temporary employment services are those required and sought. When the City and/or project sponsors require and seek specialty products made to order or otherwise seeks products which, by industry practice, are not regularly stocked in warehouse inventory but instead are purchased directly from the manufacturer, no more than five percent of the cost of the product shall be credited towards LBE participation goals. When the Project Sponsor requires and seeks products which are, by industry practice, stocked in warehouse inventory and are in fact, regularly stocked by the listed supplier or distributor, no more than sixty (60%) percent of the cost of the product shall be credited towards LBE participation goals. If the listed supplier or distributor does not regularly stock the required product, no more than five (5%) percent of the cost of the product shall be credited towards LBE participation goals.

**"CMD"** means the Contract Monitoring Division.

**"Contract"** in the context of this Guide means any agreement that establishes the terms under which work, services, or materials are provided on a MOHCD administered project, and includes prime agreements, subcontracts, and lower-tier agreements, and is subject to MOHCD's reporting requirements, including LBE participation goals.

**"Contractor"** means any individual, business, or firm that enters into a contract to perform work, provide services, or supply materials on a MOHCD administered project and includes the General Contractor, Subcontractors, consultants, architects, subconsultants, and lower-tier subcontractors and suppliers.

**"Control"** means a person possesses the legal authority to manage business assets, good will, and the day-to-day operations of a business and actively and continuously exercises such authority.

**"Director"** means the Director of the CMD, or their designee.

**"General Contractor"** means any individual, construction business, or construction firm that enters into a contract with the Project Sponsor or developer to oversee and deliver a construction project.

**"General Services Contract"** means an agreement for those services that are not professional services. Examples of "general services" include, but are not limited to, janitorial, security guard, pest control, maintenance services (not related to construction).

**"Grantee"** means a nonprofit firm that receives a grant from MOHCD for a capital construction project.

**"Joint Association"** means a team or two or more parties, bound by an association agreement, that is established for the purpose of providing professional or construction services on a project. If the association agreement includes a mix of LBE and non-LBE firms, it shall provide the LBE associate a significant project management role and the LBE associate shall be recognized in marketing and collateral material. The Joint Association shall be distinguished from traditional subcontracting arrangements via a written association agreement that defines the management of the agreement, technical and managerial responsibilities of the parties, and defined scopes and percentages of work to be performed by each party with its own resources and labor force. Unlike the formal Joint Venture, a Joint Association does not require formation of a new business enterprise between the parties, and it is assumed that one party of the Joint Association is the party under contract with the Sponsor. Each RFP/RFQ submitted by a Sponsor shall further define the roles, percentages or participation, rating bonuses that pertain to the particular role they are procuring.

**"Joint Venture"** shall mean a legal entity comprised of two or more professional services, architect/engineering or construction contractor businesses acting as a single entity and performing or providing services on a Professional Services, Architect/Engineering or Construction contract, in which each Joint Venture partner combines property, capital, efforts, skill, and/or knowledge and each Joint Venture partner shares in the ownership, control, management responsibilities, risks, and profits of the Joint Venture in proportion to its claimed level of participation.

**"LBE Participation"** means the amount of dollars awarded to LBEs as a percentage of the total contract amount

**"Local Business Enterprise (LBE)"** means a business that is certified as an LBE by the City and County of San Francisco's LBE program. LBEs are defined by the economic thresholds ("[Economic Size Standards](#)").

NOTE: Website links for finding Certified LBEs: [sfcitypartner.sfgov.org/pages/LBESearch/supplier-search.aspx](https://sfcitypartner.sfgov.org/pages/LBESearch/supplier-search.aspx)

**"Lowest-Qualified Bid Solicitation"** is one in which the only selection criteria are verification of basic requirements (insurance, license, etc.), qualifications as described in the bid documents, and the lowest competitive bid. Discount Bonuses would apply to the scoring for LBEs, MBEs, OMBs, and WBEs. **"Micro-LBE"** is a firm certified under the City and County of San Francisco's LBE Program that meets the smallest size thresholds for gross annual receipts, as defined by industry category.

**"Minimum Competitive Amount (MCA)"** the threshold at which a contract for professional services or commodities must be competitively solicited unless otherwise exempted or waived by San Francisco. The MCA for the January 1, 2025 – December 31, 2029 period is \$230,000.

**"Minority Business Enterprise (MBE)"** means a business that is certified under the San Francisco Local Business Enterprise (LBE) Program that is owned by one or more members of a recognized minority group.

**"MOHCD"** refers to the Mayor's Office of Housing and Community Development.

**"Other Business Enterprise (OBE)"** means a business that is certified under the San Francisco Local Business Enterprise (LBE) Program that does not meet the ownership criteria for MBE or WBE designation but otherwise qualifies as an LBE.

**"Owns" or "Ownership"** means a person: (a) possesses a record ownership interest, such as partnership interest or stock interest, of at least fifty-one percent (51%) of the business or such lesser amount as the CMD determines, under the circumstances of the particular business's overall ownership and control structure, constitutes a significant ability to influence business operations and a strong personal stake in the business's viability; (b) possesses incidents of ownership, including an interest in profit and loss, equal to at least the record ownership interest; (c) contributes capital to the business equal to at least the record ownership percentage (unsecured promissory notes or notes secured by the business or business assets are not sufficient to constitute capital contributions); and (d) actively and continuously devotes expertise to the operations of the business relevant to the business's "Commercially Useful Function" of a quality and quantity proportionate to the record ownership interest.

**"Prime Contractor"** means any individual, business, or firm, (i.e., General Contractor, Architect, Owner's Rep) that enters into a contract directly with the Project Sponsor to perform work, provide services, or supply materials on a MOHCD administered project.

**"Professional Services Contract"** means an agreement for services that require extended analysis, the exercise of discretion and independent judgment, or the application of an advanced, specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course of study or equivalent experience in the field, including architects and engineers.

**"Project Sponsor"** means the developer of a construction project, or an owner of the property receiving funding through MOHCD, is a leaseholder of City property, or is a party to a Development Agreement.

**"Rating bonus"** means an upward adjustment in the score of a proposal, typically used for points-based selection processes or evaluation with multiple selection criteria.

**"Subcontractor"** means any Person providing goods or services to a Contractor in fulfillment of the Contractor's obligations arising from a Contract with the City and/or Project Sponsor.

**"Threshold Amount"** means threshold at which a contract for general services or construction services must be competitively solicited unless otherwise exempted or waived by San Francisco. The Threshold for the January 1, 2025 – December 31, 2029 period is \$1,170,000.

**"Woman Business Enterprise (WBE)"** means a business that has been certified under the San Francisco Local business Enterprise (LBE) Program as being owned by one or more women.

## Required Forms

**Required Forms (For use by Project Sponsors when procuring Consultants and/or Contractors)**

**PROPOSERS ARE WARNED** that failure to comply with the requirements for submission of forms, within the times prescribed, may result in rejection of the proposal, unless a later time is authorized by CMD. The following forms are included in the RFP:

FORMS SUBMITTED WITH PROPOSAL	
LBE Form No. 1A	Project Team Form
LBE Form No. 2	LBE Subcontractor's Declaration
LBE Form No. 4	Joint Venture/Joint Association Form (if applicable)
FORMS SUBMITTED POST AWARD	
LBE Form No. 1	Participation Report


**Note:** If there are any conflicts between the below instructions and the provisions elsewhere in the specifications or with federal, state, or city statutory requirements, the latter will prevail.

### Forms submitted with proposal

The following forms must be executed in full and submitted with the proposal package, or as otherwise specified; if not, the proposal may be rejected.

- LBE FORM No. 1A - Project Team Form:** All proposers are required to complete this form and include the names of all subcontractors on their team at time of bid/proposal; including first tier LBEs, lower-tier LBEs, and non-LBEs and a description of the work they will perform, the services or supplies which will be provided by each and the dollar value of each LBE transaction. (Reminder: Suppliers will be credited no more than 60% of subcontract value toward meeting the LBE

participation.) This completed form must be submitted with the proposal or the proposal may be rejected.

- **LBE Form No. 2 – LBE Subcontractor’s Declaration:** All LBEs must complete this form AND include their LBE certification to be eligible for rating bonuses, bid discounts, and be counted towards LBE credit. The Prime bidder is then responsible for collecting these forms and submitting them to CMD. 
- **LBE Form No. 4 - Joint Venture/Association Form (if applicable):** Joint Ventures/Associations must submit this form plus a joint venture or joint association agreement.
- **LBE Form No.4M - Micro-LBE Joint Venture/Association Form (if applicable):** This form must be submitted ONLY if the proposer is requesting a Joint Venture partnership or Joint Association with a Micro-LBE architectural firm for a 10% rating bonus.

## Forms submitted post-award

- **LBE Form No. 1 - Participation Report:** This form shall be submitted by the Project Sponsor or their designee (e.g., Architect, General Contractor) in January and July with updated project status and projected totals for all project participants. CMD will review LBE Form No. 1 submissions and provide feedback and corrections, if necessary. CMD will utilize this Form to monitor the LBE participation over the life of the project.

## Sample LBE Forms

## LBE Form 1 – Participation Report ([Note: CMD will provide Excel Spreadsheet](#))

### LBE Form 1: Participation Report (for Semi-annual Reporting)

v2025.08.29

Project Name:	
Project Address:	
Project Sponsor:	
Entity Submitting Form:	
Professional Services LBE Subcontracting Participation (auto populated):	0.00%
Construction LBE Subcontracting Participation (auto populated):	0.00%
Projected Total LBE Prime + Sub Participation (auto populated)	0.00%
Date form submitted:	

Auto Populated Based on Values in Below Table. Cells Will Populate After CMD Has Validated The LBE's Status						
LBE Status	Professional Services		Construction		Total Participation	
SF LBE Subcontracting Credit	\$	-	0.00%	\$	-	0.00%
SF LBE Prime Credit	\$	-	0.00%	\$	-	0.00%
<b>Total LBE Credit (Prime + Subcontracting)</b>	\$	-	0.00%	\$	-	0.00%
Non-LBE	\$	-	0.00%	\$	-	0.00%
<b>Total Contract Amount (LBE + Non-LBE)</b>	\$	-	0.00%	\$	-	0.00%

List All Firms (use a separate row for each JV partners)	First Tier Subcontractor Under GC (for construction trades; leave blank if professional services)	Prime (Entity in Contract with Project Sponsor)	Discipline/Trade (e.g., architect, concrete, etc.)	LBE Status	Original Contract/Subcontract Amount	Expected Contract/Subcontract Amount (inc. change orders, mods., etc.)	Status of contract (active, complete, etc.)	Racial/Ethnic Data for HUD Reporting (optional and self-reported)
Applicable for Non-LBE JV Prime Partner								
Applicable for LBE JV Prime Partner								



### LBE Form 2 - LBE Subcontractor's Declaration

This form is to be completed by each LBE subconsultant/contractor or supplier (including lower tier LBEs) and shall be submitted by the Project Sponsor or Prime Consultant/Contractor to validate LBE participation. Contractor/Subcontractor may attach additional sheets if more space is needed to provide complete information.

**Project Name:** \_\_\_\_\_

**Name of Higher Tier Entity Issuing Contract:** \_\_\_\_\_

**LBE Name:** \_\_\_\_\_

**License #:** \_\_\_\_\_

	<b>verify that</b>		<b>bid to</b>
Name of LBE Owner/Representative		LBE Firm	

the above referenced Prime/Higher Tier Entity for (sub)contracting work in the amount \$ \_\_\_\_\_ of and have been offered a (sub)contract in the amount of \$ \_\_\_\_\_

**2. Please describe service performed:**

**3. Select if you are entering direct contract with the sponsor or will be a lower tier subcontractor**

We will self-perform 100% of the work and will not further subcontract any portion of the work.

☐ We WILL subcontract out part of our work to: \_\_\_\_\_  
Firm

in the amount of \$ \_\_\_\_\_. This business is:      LBE Certified      Not LBE Certified

I declare, under penalty of perjury, that the above information is true and correct and that our firm is a bona fide, certified LBE as defined under this LBE Program. A copy of my proposal/bid quote shall be submitted upon request.

\_\_\_\_\_  
LBE Owner/Authorized Representative (Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title (Print)

\_\_\_\_\_  
Phone

### Form 4 - Joint Venture/Association Form

This form must be submitted ONLY if the proposer is requesting a Joint Venture partnership or Joint Association with an LBE firm for the rating bonus. The Joint Venture/Association partners must submit a joint venture/association agreement and management plan with the proposal.

#### SECTION 1: GENERAL INFORMATION

1. Name of Contract or Project: \_\_\_\_\_

2. Name of all JV/JA partners: (Check box if partner is an LBE)

Name of JV or JA Partners	LBE
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

3. Attach a copy of Joint Venture/Association Agreement and Management plans.

4. The management plan must include the following information:

Describe in detail how decisions will be made for work distribution and compliance of LBE Joint Venture/Association participation.

- Provide each Joint Venture partner's specific duties and responsibilities (include organizational chart).
- Provide in detail how decisions will be made for work distribution to LBE subconsultants and/or vendors.

5. Eligibility of the Rating Bonus.

How much of the total contract will the JV/JA team perform (as a %)?	A		%
How much of the total contract will be subcontracted out (as a %)?	B		%
<b>Add line A to line B</b> Total contract (This must equal 100%).	C	100	%
How much of the entire contract will the LBE JV Partner perform (as a %)?	D		%
<b>Divide line D by line A</b> This is your LBE JV/JA Partner Participation (as a %)	E		%

**ALL JOINT VENTURE/ASSOCIATION PARTNERS MUST SIGN THIS FORM**

---

Owner/Authorized Representative

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Owner/Authorized Representative

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Name of Firm

---

Name of Firm

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Address

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Address

---

Telephone/Email Address

---

Telephone/Email Address

### LBE Form 4M - Micro-LBE Joint Venture/Association Form

This form must be submitted **ONLY** if the proposer is requesting a Joint Venture partnership or Joint Association with a **Micro-LBE** firm for a 10% rating bonus **when submitting a proposal for Architect**. A Micro-LBE firm is a firm with average gross receipts for the past five years that are equal to or below \$2.93 Million. Do not submit this form for a Joint Venture/Association with a non-Micro LBE, instead use LBE Form 4. The Joint Venture/Association partners must submit a joint venture/association agreement and management plan with the proposal.

1. Name of Contract or Project: \_\_\_\_\_
2. Project Address: \_\_\_\_\_
3. Name of Non-LBE JV/JA Partner: \_\_\_\_\_  
 Name of Micro-LBE JV/JA Partner: \_\_\_\_\_
4. Attach a copy of Joint Venture/Association Agreement and Management plans. The management plan must include the following information about how decisions will be made for work distribution and compliance of LBE Joint Venture/Association participation.
  - a. Provide each Joint Venture/Association partner's specific duties and responsibilities (include organizational chart).
  - b. Provide in detail how decisions will be made for work distribution to LBE subconsultants and/or vendors.
5. Eligibility of the Rating Bonus.

How much of the total contract will the JV/JA team perform (as a %)?	A		%
How much of the total contract will be subcontracted out (as a %)?	B		%
<b>Add line A to line B</b> Total contract (This must equal 100%).	C	100	%
How much of the entire contract will the <b>Micro-LBE</b> JV Partner perform (as a %)?	D		%
<b>Divide line D by line A</b> This is your <b>Micro-LBE JV Partner Participation (as a %)</b>	E		%

**ALL JOINT VENTURE/ASSOCIATION PARTNERS MUST SIGN THIS FORM**

---

Owner/Authorized Representative

---

Owner/Authorized Representative

---

Name of Firm

---

Name of Firm

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Address

---

Address

---

Telephone/Email Address

---

Telephone/Email Address

---

**END OF FORM**

**Matrix of Roles for LBE Projects**

<b>Steps</b>	<b>MOHCD</b>	<b>Project Sponsor</b>	<b>CMD</b>	<b>Prime Contractor /Consultant</b>
Determination of LBE Program Application	X		X	
Orientation Meeting on Program Specifics and Expectations	X	X	X	
Submission of LBE Procurement Plan for design/pre-construction services to CMD		X		
Feedback on LBE Procurement Plan			X	
Submission of RFP, attachments, and CMD bid form to CMD for review 14 days before anticipated ad date (with copy to MOHCD CR)	X	X		
Feedback and requests for clarifications (if any) before posting to SF City Partner website			X	
<i>Advertisement runs for at least 30 days</i>				
Submit bid tabulations and supporting documentation (bid leveling, score sheets, LBE Forms, etc.) to CMD		X		
CMD confirms application of rating bonus/bid discount		X	X	
Approval of award of contracts for Architect, General Contractor, and other prime contractors under Project Sponsor		X	X	
Submission of LBE Procurement Plan for subtrades (professional services and construction trades)				X
Advertising of Lower Tier Trade Services – Submission of RFP, attachments, NOISB, and CMD bid form to CMD to procure lower tier trades/services for review 14 days before anticipated ad date				X
Feedback and requests for clarifications (if any) before posting to SF City Partner website			X	
<i>Advertisement runs for at least 30 days</i>				
Submit bid tabulations and supporting documentation (bid leveling, score sheets, LBE Forms, etc.) to CMD				X
Approval of award of contracts to subtrades and subconsultants			X	X
Submission of Biannual Reports to CMD (LBE Form 1) throughout life of the contract		X		X

## Appendix A – Procedures on Informal Projects and Small Value Contracts

### Procedures for the Project Sponsor

Informal projects are those with a total estimated construction contract value below \$1,170,000 and professional service contract value below \$230,000. For these contracts, CMD may waive the LBE subcontracting goal and procurement plan requirement. LBE prime proposers/bidders will be eligible for a 10% or 7.5% rating bonus as described in [the Program Requirements section of this guide](#).

**Advertising** -- The Project Sponsor should advertise on the SF City Partner website for at least 14 days. Alternatively, the Project Sponsor may use an informal written solicitation (such as an RFP, RFQ, or similar document) to request bids or proposals from at least three LBEs. Project Sponsors are encouraged to schedule a pre-bid site walk and hold a pre-bid information meeting.

**Selection Process** -- CMD will review the Project Sponsor's selection criteria and scoring, verify the rating bonus/bid discount, and confirm selection. Note – CMD may determine the Project Sponsor will have to advertise formally when practicable.

**LBE Prime Participation Credit** – For prime contracts which are below the Threshold Amount/Minimum Competitive Amount, the Director may approve crediting the LBE prime's participation towards the overall LBE goal.

### Procedures for the Prime Contractor

For procurements where estimated contract values are below the Threshold Amount/Minimum Competitive Amount, the Prime Contractor (General Contractor/Architect) may use the informal expedited procurement method described below.

- **Advertising** – CMD may approve a shorter advertising period than the standard thirty (30) days on the SF City Partner website. The Prime Contractor may use an informal written solicitation (such as an RFP, RFQ, or similar document) to request bids or proposals from at least three LBEs. Prime Contractors are encouraged to schedule a pre-bid site walk and/or hold a pre-bid information meeting.
- **Selection Process** – The Prime Contractor will submit to CMD the evaluation criteria and the bid/proposal scoring forms used to select the winning firms. If the highest

ranked bidder/proposer is not selected, the Prime Contractor shall provide CMD a reasonable explanation.

- **Waiver of the Rating Bonus** – The Director may, at their sole discretion, waive the rating bonus for informal contracts where it would be impracticable to implement. CMD may determine the Prime Contractor will have to advertise formally when practicable.