

REVISED LEGISLATIVE DIGEST

[Administrative Code – Expanding PUC-LBE Contracting Opportunities]

Ordinance amending the San Francisco Administrative Code by amending Section 14B.2 and Section 14B.5 to increase contracting opportunities for certified Public Utility Commission Local Business Enterprises (PUC-LBEs) and to make corresponding technical changes.

Existing Law

Under current law, certain small businesses located outside of San Francisco but within the San Francisco Public Utilities Commission ("SFPUC") water system service area may be certified as PUC-LBEs and receive LBE prime contractor discounts and LBE subcontractor status for "PUC Regional Projects." Current law defines PUC Regional Projects as projects connected with the SFPUC's Capital Improvement Program to seismically reinforce and enhance the Hetch Hetchy water supply system ("CIP" now referred to as "WSIP") to be performed outside the jurisdictional boundaries of San Francisco. The PUC-LBE program applies only to contracts or subcontracts for public works/construction services, construction material supplies, construction equipment rental, and/or trucking.

Amendments to Current Law

This Ordinance amends the definition of "PUC Regional Projects" by adding (1) all SFPUC Water System projects for which costs are shared with regional water customers, and (2) all SFPUC projects (Water, Power and Sewer) not subject to cost-sharing but that will be performed exclusively 70 miles or more beyond the jurisdictional boundaries of the City. The program does not change the existing limitation to public works/construction, construction material supplies, construction equipment rental, and/or trucking services contracts.

Background Information

The PUC-LBE certification program was instituted to allow small businesses located within the PUC Water System Service Area but outside of the jurisdictional boundaries of San Francisco an opportunity to compete for work on the \$4.6 billion WSIP that was indirectly funded by regional (non-San Francisco) water rate paying customers. As the WSIP nears completion, this Ordinance would continue to support small local businesses operating in the PUC Water System Service Area by allowing certified PUC-LBEs to participate as LBEs for non-WISP SFPUC regional water system projects and other SFPUC contracts to be performed at least 70 miles beyond the City limits.

AMENDED IN COMMITTEE
2/6/13

FILE NO. 121105

Amendment of the Whole

This Ordinance was amended at Committee to limit the availability of PUC-LBEs bid discounts for PUC Regional Projects NOT subject to cost-sharing with regional water customers to situations where the PUC-LBE discount would not adversely impact the ranking of a "San Francisco" LBE (that is, an LBE certified under 14B.3 with its principle place of business in San Francisco).

Under this Ordinance as amended, PUC-LBEs would be eligible for prime contractor bid discounts for all PUC Regional Project contracts where costs will be shared with regional water customers, and for LBE subcontracting participation credit on all PUC Regional Project contracts whether or not the contract will be subject to cost-sharing.

Supervisor David Chiu
BOARD OF SUPERVISORS