

1 [Procedures to attain LBE subcontracting goals for design-build and integrated project delivery
2 contracts.]

3 **Ordinance amending Administrative Code Chapter 14B, Local Business Enterprise and**
4 **Non-Discrimination In Contracting Ordinance, to add a new Section 14B.19 establishing**
5 **uniform procedures to attain project LBE goals for design-build and integrated project**
6 **delivery contracts.**

7 NOTE: Additions are *single-underline italics Times New Roman*;
8 deletions are ~~*strike-through italics Times New Roman*~~.
9 Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough normal~~.

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

11 Section 1. The San Francisco Administrative Code is hereby amended by adding
12 Section 14B.19, to read as follows:

13 SEC. 14B.19. SUBCONTRACTING: DESIGN-BUILD AND INTEGRATED PROJECT
14 DELIVERY CONTRACTS.

15 (A) For design-build contracts authorized under Administrative Code Section 6.61 and
16 integrated project delivery contracts authorized under Administrative Code Section 6.68, the Director
17 shall establish project-wide subcontracting and subconsulting goals for LBE participation.

18 (B) The procedure to attain the project-wide LBE goals for low bid design-build contracts
19 awarded under Administrative Code Chapter 6, Section 6.61, shall be in accordance with Section
20 14B.8.

21 (C) The procedure to attain the project-wide LBE goal for trade package subcontracts
22 awarded under design-build contracts (Administrative Code Chapter 6, Section 6.61(L)) and integrated
23 project delivery contracts (Administrative Code Chapter 6, Section 6.68), shall be as follows:

24 (1) Prior to the advertisement of a trade package design-build contract or an integrated
25 project delivery contract, the Director shall determine the availability of LBEs who could perform the

1 work or supply materials and equipment for each trade package, with reference to the project-wide
2 LBE subcontracting and subconsulting participation goals.. In the case of a design-build prime
3 contract, the professional design services such as architectural or engineering performed by LBE firms
4 will be credited toward the established project-wide goal. In the case of a trade package subcontract
5 where some or all of the work is design-build, professional design services such as architectural or
6 engineering performed by LBE firms will be credited toward the established trade package goal.

7 (2) The Design-Builder or Construction Manager/General Contractor (the "Prime
8 Contractor") shall undertake the good faith outreach required in Section 14B.8(D).

9 (3) The Prime Contractor, with the assistance of the Director, shall set forth the LBE goal
10 for each trade package. Upon receipt of bids from trade package subcontractors for a specific scope of
11 work, the Director shall evaluate whether or not the trade package low bidder has met the stated LBE
12 goal.

13 (4) In the event the trade package low bidder fails to meet the stated goal, the bidder shall
14 be allowed to make up the goal within two weeks of bid opening, provided the bidder does not violate
15 the California Subletting and Subcontracting Fair Practices Act (Public Contract Code Section 4100 et
16 seq.). Failure by the bidder to achieve the goal within the two week period, or within some other time
17 allowed by the Director in writing, shall deem the bidder ineligible for award of the trade package
18 subcontract. In such an instance, the Director and the Prime Contractor shall evaluate the second low
19 bidder in the same manner for potential contract award.

20 (5) The Director shall monitor the actual LBE participation being attained as the trade
21 package bids are received. In the event the Director determines that the actual LBE participation at a
22 particular time in the bidding of trade packages is less than anticipated, relative to the project LBE
23 goal, the Prime Contractor shall make all efforts to negotiate and award trade packages to LBEs using
24 the seven and one half percent (7½%) of total trade package costs available to it for negotiating
25 subcontracts per Administrative Code Chapter 6, Sections 6.61(L)(3) or 6.68(H)(3), as appropriate.

1 After all the trade packages have been awarded, the Prime Contractor must have met the project-wide
2 LBE subcontracting/subconsulting goal. Otherwise, the Prime Contractor shall be subject to sanctions
3 as described herein in Section 14B.17.

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

6 By: _____
7 GEORGE K. WONG
8 Deputy City Attorney

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