

File No. 121105

Committee Item No. 1
Board Item No. b

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date 02/06/2013

Board of Supervisors Meeting

Date FEBRUARY 12, 2013

Cmte Board

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OTHER (Use back side if additional space is needed)

Completed by: Victor Young Date February 1, 2013
Completed by: Victor Young Date 2-7-13

[Administrative Code - Expanding Public Utilities Commission Local Business Enterprise Contracting Opportunities]

Ordinance amending the Administrative Code, by amending Sections 14B.2 and related provisions 14B.5, to increase contracting opportunities for certified Public Utility Commission Local Business Enterprises (PUC-LBEs) and to make corresponding technical changes; and making environmental findings and findings of consistency with general plan.

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

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

Section 1. This section is uncodified.

The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 121105 and is incorporated herein by reference.

Section 2. The San Francisco Administrative Code is hereby amended by amending Section 14B.2, "Definitions," "PUC Regional Projects" to read as follows:

"PUC Regional Projects" means (1) the projects to be performed outside of the geographic limits jurisdictional boundaries of San Francisco that are identified as regional projects and included in the formally approved Capital Improvement Program of the San Francisco Public Utilities Commission's ("SFPUC") approximately \$4.36 billion project to seismically reinforce and otherwise enhance the Hetch Hetchy water supply system, also known as the Water System Improvement Program ("WSIP"), as it may be amended from time to

1 time; (2) projects to be performed exclusively outside of the jurisdictional boundaries of San
2 Francisco for which some or all of the cost will be shared by members of the Bay Area Water Supply
3 and Conservation Agency ("BAWSCA"); or (3) projects under contracts with the SFPUC to be
4 performed exclusively 70 miles or more beyond the jurisdictional boundaries of San Francisco. "PUC
5 Regional Projects" and shall also include, but are not limited to, Repair and Replacement work
6 ("R&R") only where such work is to be performed in association with a regional Capital
7 Improvement Program or other BAWSCA cost sharing project, or to be performed exclusively 70
8 miles or more beyond the jurisdictional boundaries of San Francisco.

9 Section 3. The San Francisco Administrative Code is hereby amended by amending
10 Section 14B.5(A) to read as follows:

11 (A) **PUC-LBE Certification.** In order to increase the ability of small businesses that
12 are located within the PUC water system service area but outside of the *geographical limits*
13 *jurisdictional boundaries* of San Francisco to compete for regional PUC contracts, the Director
14 shall certify businesses as PUC-LBEs, including as either Small-PUC-LBEs or
15 Micro-PUC-LBEs, and as either PUC-MBEs, PUC-WBEs, or PUC-OBEs, that meet all of the
16 following criteria:

17 (1) Only established small public works/construction, construction material supplies,
18 construction equipment rental and trucking firms may be certified as PUC-LBEs or any
19 subcategory of PUC-LBE.

20 (2) Only firms located within the PUC water system service area may be certified as
21 PUC-LBEs or any subcategory of PUC-LBE.

22 (3) Only firms with average gross annual receipts in the prior three fiscal years that
23 meet the requirements of Section 14B.3(B) or Section 14B.3(C) for Small-LBEs or
24 Micro-LBEs, respectively may be certified as PUC-Small-LBEs or PUC-Micro-LBEs.

(4) PUC-LBEs owned and controlled by one or more minority persons or women according to all of the criteria set forth in Section 14B.3(B) or 14B.3(C), respectively, shall be certified as PUC-MBEs or PUC-WBEs. PUC-LBEs that do not demonstrate qualifying ownership and control by minority persons or women shall be certified as PUC-OBEs.

(5) Firms shall meet all criteria that the *HRC City Administrator* shall by rule adopt to the end that firms certified as PUC-LBEs shall be similarly situated to LBEs to the extent practicable, taking into account the special circumstances of their location and the needs of the PUC Regional projects.

Section 4. The San Francisco Administrative Code is hereby amended by amending Section 14B.5 (B)(1) to read as follows:

(1) The PUC Small Firm Advisory Committee shall have five (5) members who shall be appointed by the PUC General Manager *in consultation with the Bay Area Water Supply and Conservation Agency (BAWSCA)* to represent the interest of individuals and businesses *located within the PUC Water System Service Area but outside of the geographical limits of San Francisco that are or may be eligible for PUC-LBE certification*. Members shall serve at the pleasure of the PUC General Manager. Members of the PUC Small Firm Advisory Committee shall not be compensated, but shall be reimbursed for expenses in accordance with the Controller's published policies.

Section 5. The San Francisco Administrative Code is hereby amended by amending Section 14B.5 (C) to read as follows:

(C) Except as provided in Subsection 14B.5(D), PUC-LBEs shall have the status of LBEs for all purposes of this Ordinance only for construction, specialty construction, construction material suppliers, construction equipment rental firms and trucking services for PUC Regional Projects. PUC-LBEs shall not have the status of LBEs for PUC contracts for

1 architectural and engineering services, professional services or general services or for any
2 other bid, proposal or contract subject to this Ordinance.

3 Section 6. The San Francisco Administrative Code is hereby amended by adding
4 Section 14B.5 (D) to read as follows:

5 Contract Awarding Authorities shall only apply Discounts to Bids from PUC-LBEs for
6 the purpose of determining the apparent highest ranked proposal or the apparent lowest bid,
7 for PUC Regional Projects that will be performed exclusively 70 miles or more beyond the
8 jurisdictional boundaries of San Francisco and for which no cost will be directly shared by
9 members of the BAWSCA, where application of the Discount will not adversely impact the
10 ranking for negotiation or award process of a Bid submitted by any Micro-LBE, Small-LBE or
11 SBA-LBE certified under Section 14B.3.

12 Section 7. This section is uncodified.

13 Effective Date. This ordinance shall become effective 30 days from the date of
14 passage.

15 Section 8. This section is uncodified.

16 In enacting this Ordinance, the Board intends to amend only those words, phrases,
17 paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams, or any
18 other constituent part of the Administrative Code that are explicitly shown in this legislation as
19 additions, deletions, Board amendment additions, and Board amendment deletions in
20 accordance with the "Note" that appears under the official title of the legislation.

21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23 By: *R. Barnes*
24 Catharine Barnes
25 Deputy City Attorney

Supervisor David Chiu
BOARD OF SUPERVISORS

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REVISED LEGISLATIVE DIGEST

[Administrative Code – Expanding PUC-LBE Contracting Opportunities]

Ordinance amending the Administrative Code, by amending Sections 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-WSIP SFPUC regional water system projects and other SFPUC contracts to be performed at least 70 miles beyond the City limits.

Supervisor David Chiu
BOARD OF SUPERVISORS

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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

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BOARD of SUPERVISORS



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Fax No. 554-5163
TDD/TTY No. 554-5227

November 13, 2012

File No. 121105

Bill Wycko
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Mr. Wycko:

On November 6, 2012, Supervisor Chiu introduced the following proposed legislation:

File No. 121105 Administrative Code - Expanding Public Utilities Commission
Local Business Enterprise Contracting Opportunities

The legislation is being transmitted to you for environmental review, pursuant to Planning Code Section 306.7(c).

Angela Calvillo, Clerk of the Board

V. Young
By: Victor Young, Committee Clerk
Budget and Finance Committee

Attachment

cc: Monica Pereiral, Environmental Planning
Joy Navarrete, Environmental Planning

*Non-physical exemption
CEQA Section 15060(c)(2)*

*J. Navarrete Nov. 26, 2012
Joy Navarrete*



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

January 22, 2013

Ms. Angela Calvillo, Clerk of the Board
Board of Supervisors
City Hall room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102-4694

File No. 121105 [Administrative Code - Expanding Public Utilities Commission Local Business Enterprise Contracting Opportunities]

Small Business Commission Recommendation: **Approval**

Dear Ms. Calvillo:

On January 14, 2013 the Small Business Commission (SBC) voted 7-0 to recommend approval of BOS File No. 121105.

The Commission found that this ordinance is consistent with the goals and objectives of the office and will promote small business involvement in PUC projects, while preserving opportunities for San Francisco based LBE businesses.

Sincerely,

A handwritten signature in black ink that reads 'Regina Dick-Endrizzi'.

Regina Dick-Endrizzi
Director, Office of Small Business

Cc: Jason Elliott, Mayor's Office
Supervisor Chiu

SMALL BUSINESS ASSISTANCE CENTER/ SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110 SAN FRANCISCO, CALIFORNIA 94102-4681
(415) 554-6408