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Completed by: Victor Young               Date February 1, 2013
Completed by: Victor Young               Date
Ordinance amending the San Francisco Administrative Code by amending Section 14B.2 and related provisions to increase contracting opportunities for certified Public Utilities Commission Local Business Enterprise 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-underrined; 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. 12/10/0.5 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, false
known as the Water System Improvement Program ("WSIP"), as it may be amended from time to
time, (2) projects to be performed exclusively outside of the jurisdictional boundaries of San
Francisco for which some or all of the cost will be shared by members of the Bay Area Water Supply
and Conservation Agency ("BAWSCA"); or (3) projects under contracts with the SFPUC to be
performed exclusively 70 miles or more beyond the jurisdictional boundaries of San Francisco. "PUC
Regional Projects" and shall also include, but are not limited to, Repair and Replacement work
("R&R") only where such work is to be performed in association with a regional Capital
Improvement Program or other BAWSCA cost sharing project, or to be performed exclusively 70
miles or more beyond the jurisdictional boundaries of San Francisco.

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

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

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

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

(3) Only firms with average gross annual receipts in the prior three fiscal years that
meet the requirements of Section 14B.3(B) or Section 14B.3(C) for Small-LBEs or
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. This section is uncodified.

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

Section 6. This section is uncodified.

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

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

By: [Signature]
Catharine Barnes
Deputy City Attorney
LEGISLATIVE DIGEST

[Administrative Code - Expanding PUC-LBE Contracting Opportunities]

Ordinance amending the San Francisco Administrative Code Section 14B.2 and related provisions to increase contracting opportunities for certified PUC-LBEs and to make corresponding technical changes; and making environmental findings and findings of consistency with general plan.

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.
November 13, 2012

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

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)

Nov 26, 2012

Joy Navarrete
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,

Regina Dick-Endrizzi
Director, Office of Small Business

Cc: Jason Elliott, Mayor’s Office
    Supervisor Chiu