

1 [Administrative Code - Establish a Trial Local Business Enterprise Joint Venture and Core  
2 Discipline Incentive Program]

3 **Ordinance amending the Administrative Code to establish a trial Local Business**  
4 **Enterprise (LBE) incentive program that would allow an LBE joint venture rating bonus**  
5 **on professional services and design-build contracts over \$20 million, and allow**  
6 **departments to use the amount of LBE subcontractor participation in core disciplines**  
7 **as selection criteria in professional services contract procurements.**

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9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
10 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
11 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
12 **Board amendment additions** are in double-underlined Arial font.  
13 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
14 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
15 subsections or parts of tables.

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

17 Section 1. The Administrative Code is hereby amended by adding Section 14B.21, to  
18 read as follows:

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20 **SEC 14B.21. ADDITIONAL JOINT VENTURE AND CORE DISCIPLINE INCENTIVE**  
21 **TRIAL PROGRAM.**

22 **(a) Joint Venture Incentives For Use By Contract Awarding Authorities.**

23 (1) Prime Professional Services Contracts. For Professional Services and  
24 Architecture/Engineering prime Contracts estimated by the Contract Awarding Authority to cost in  
25 excess of \$20,000,000, the Contract Awarding Authority may apply a rating bonus as described in

1 subsection (a)(3) to proposals from Joint Ventures with Small and/or Micro-LBE Joint Venture  
2 partners. The applicability of the rating bonus shall be clearly identified in the request for  
3 qualifications/proposals or other solicitation document.

4 (2) Design-Build Contracts. For Design-Build Contracts estimated by the Contract  
5 Awarding Authority to cost in excess of \$20,000,000, Contract Awarding Authorities may apply a  
6 rating bonus as described in subsection (a)(3) to proposals from design-builders where the lead  
7 designer is a Joint Venture with a Small and/or Micro-LBE Joint Venture partner. The applicability of  
8 the rating bonus shall be clearly identified in the request for qualifications/proposals or other  
9 solicitation document.

10 (3) Rating Bonus. The following rating bonus may apply where the Director finds that  
11 the Small and/or Micro LBE Joint Venture Partner (i) will be responsible for, and has sufficient skill,  
12 experience, and financial capacity to perform a clearly defined portion of the work, (ii) shares in the  
13 Ownership, Control, management responsibilities, risks, and profits of the Joint Venture at least in  
14 proportion to the value of its assigned Joint Venture work, and (iii) performs a Commercially Useful  
15 Function:

16 (A) Up to 2% rating bonus to a Joint Venture with LBE prime Contractor or  
17 lead design partner participation that equals or exceeds 5% but is less than 10% of the prime level  
18 work or design portion of a Design-Build Contract.

19 (B) Up to 4% rating bonus to a Joint Venture with LBE prime Contractor or lead  
20 design partner participation that equals or exceeds 10% but is less than 15% of the prime level work or  
21 design portion of a Design-Build Contract.

22 (C) Up to 6% rating bonus to a Joint Venture with LBE prime Contractor or lead  
23 design partner participation that equals or exceeds 15% of the prime level work or design portion of a  
24 Design-Build Contract.

1                   (4) The rating bonus shall not apply to any cost portion of the selection or evaluation  
2 process.

3                   (5) For prime Professional Services Contracts, LBE prime Joint Venture partner  
4 participation cannot be used towards meeting the Contract's LBE Subcontractor Participation  
5 Requirement. For Design-Build Contracts, LBE lead design Joint Venture partner participation can be  
6 used towards meeting the Contract's LBE Subcontractor Participation Requirement. For both  
7 Contract types, LBE Joint Venture partner participation can be used towards meeting the good faith  
8 outreach exemption in Section 14B.8(B)(1).

9                   **(b) Core Discipline Incentives For Use by Contract Awarding Authorities.** For all  
10 Professional Services and Architecture/Engineering prime Contracts, Contract Awarding Authorities  
11 may, in consultation with the Director, include as evaluation or selection criteria in the Contract  
12 procurement, a prime Contractor's use of Micro and/or Small-LBEs in core disciplines to meet the  
13 Contract's LBE Subcontractor Participation Requirement. The Contract Awarding Authority shall  
14 specify in the request for qualifications/proposals or other solicitation document what trades, scopes of  
15 work, or discipline areas will be considered core disciplines for a Contract. The weight of this core  
16 discipline selection criteria in the overall selection process will be at the discretion of the Contract  
17 Awarding Authority, and shall be clearly identified in the request for qualifications/proposals or other  
18 solicitation document.


19                   **(c) Sunset Date.** This Section 14B.21 shall expire by operation of law three years from its  
20 effective date. Upon its expiration, the City Attorney shall cause Section 14B.21 to be removed from  
21 the Administrative Code.

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23                   Section 2. Effective Date. This ordinance shall become effective 30 days after  
24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
25

1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
2 of Supervisors overrides the Mayor's veto of the ordinance.

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

6 By:

  
7 Yadira Taylor  
8 Deputy City Attorney

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**City and County of San Francisco**  
**Tails**  
**Ordinance**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 170921

**Date Passed:** October 24, 2017

Ordinance amending the Administrative Code to establish a trial Local Business Enterprise (LBE) incentive program that would allow an LBE joint venture rating bonus on professional services and design-build contracts over \$20 million, and allow departments to use the amount of LBE subcontractor participation in core disciplines as selection criteria in professional services contract procurements.

October 05, 2017 Budget and Finance Committee - RECOMMENDED

October 17, 2017 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

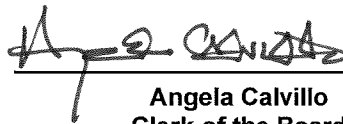
October 24, 2017 Board of Supervisors - FINALLY PASSED

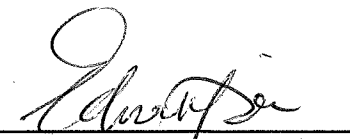
Ayes: 10 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Tang and Yee

Absent: 1 - Sheehy

File No. 170921

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 10/24/2017 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

11/03/17  
Date Approved