

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

9/20/2021

Dear Board of Supervisors,

I, Claytis Norman, the President/CEO of Integrity First Plumbing Inc. a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to our clients and that we are able create a healthy and productive work environment for our employees, it has been no small feat to be part of a two and a half year effort to advance this legislation.

There have been countless in-person meetings, video calls, emails, and internal negotiations, to ensure that our collective voices were taken seriously by the Contract Monitoring Division, the Contract Monitoring Division, Director, Romulus Asenloo, the LBE Advisory Committee, and the City Administrator. And despite allegations that this has been an effort to benefit one LBE firm, I can assure you that there has been a robust community outreach, culminating in a grassroots effort, and coming together of diverse LBEs -across thresholds, categories, and disciplines- to improve what it means to be a Public Works, Construction and Trucking Micro-LBE, LBE, and SBA-LBE in the City and County of San Francisco.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to I, Claytis Norman, believe this legislation, is a step in the right direction to course-correct long time inequities like; the Trucking category never having received a threshold increase since the LBE programs' inception, and bad acting prime contractors never facing consequential fines for not using LBE's on their contracts. It also acknowledges the difficult position many Micro-LBE's have faced when trying to compete against LBE's of larger size standards in the LBE program, and is finally attempting to create capacity-building solutions, through new programs like the Pilot Neighborhood Program and Trucking Program, while also increasing the micro set aside thresholds.

**There is no time like the present to enact this legislation**, because the global COVID-19 pandemic has already delayed a slow legis-

- A financial downturn, due to the economic impacts of the pandemic
- Less access to public contracts, due to a constricting contracting environment
- Severely delayed payment by Primes
- Difficulty accessing business lines of credits

So, as small businesses continue to be hit hard by the economic impacts of the global COVID-19 pandemic, we are in need of bold action that will allow us to economically recover so that we can continue investing in our local economy, hire locally, and compete more fairly when engaging in the public contracting process in San Francisco.

As a small business that has been hit hard by the global COVID-19 pandemic and is in need of bold action that will allow us to economically recover so that we can continue investing in our local economy, hire locally, and compete more fairly when engaging in the public contracting process in San Francisco, I believe these changes to the Chapter 14B legislation are a step in the right direction.

**Therefore, I vehemently support the following legislative changes to Chapter 14B and ask that you do the same. An abbreviated summary of legislative changes, pages, and lines of legislation included, below:**

- The addition of "particularly Micro LBEs" to signify the ordinances' new attention and focus to building capacity of Micro LBEs. – **Page 2, Line 8**
- Moving average gross receipts from 3 years to 5 years. – **Page 5, Line 3**
- Upward adjustments of all the thresholds across all categories. – **Page 5, Line 11 to 25**
- Automatic threshold adjustments based on Urban Area CPI. The controller's office makes the determination. Calculation started from January 1st, 2020. – **Page 6, Line 10 to 15**
- For contracts with mixed local and federal and/or state funding, where the federal or state laws, rules, or regulations prevent the implementation of LBE preference programs, Contract Awarding Authorities are encouraged to break out elements of the contract, and isolate the sources of funding, i.e., local dollars, so that Chapter 14B can be applied. The goal is to encourage departments to break up contracts, and is not a mandate. – **Page 18, Line 14 to 18**

- Higher penalties to pay by Primes who fail to meet the requirements of Chapter 14B. CMD can assess up to 25% of the total contract amount. Willful failure to comply will be included in the Contractor's evaluation report if such evaluation is collected. – **Page 22, Line 7 to 33**
- (Prime) to include its Subcontractor's approved payment requests in any payment application to the City within 30 days of receiving an invoice from an LBE subcontractor – **Page 24, Line 10 to 11**
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- Minimum Competitive Threshold Amount will be subject to automatic increase by CPI every five years. The General Services amount will be \$1,000,000. – **Page 37, Line 19, to Page 38, Line 24.**

**I do not support the following change to Chapter 14B and ask that it be removed from the legislation. An abbreviated summary of legislative change, page, and line of legislation included, below:**

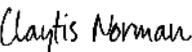
- Potentially allowing CMD/Director to show discretion by allowing an LBE to certify in San Francisco if they share an office with another business and are exchanging their services for monetary rent. – **Page 4, Line 10**

**Lastly, there are a few final points that I would like the Board of Supervisors to consider:**

- **Create a Remedy for Retention** – Public agencies hold up to 10% of the payment on a contract, regardless of when a construction LBE's time on the job is complete. Essentially, the final 10% is not paid until the entire construction project is in fact done, which in some cases is years later. And, there are many instances where these funds are never paid out. LBEs should not have to wait for these funds, or never ultimately receive payment. They should be paid out all retention, once their time on a contract is complete.
- **The Supervisors should commission a study for the SBA-LBE threshold to also be measured by employee count.**
  - San Francisco could also use an employee count as a small business size standard measurement, falling in line with methodologies similar to the federal government. This would acknowledge SBA-LBE's job-creation capabilities for local talent (particularly from underserved communities) by instituting a legislative mechanism, that incentivizes them to (at a minimum) hit the 30% local hiring goals set by OEWD. SBA-LBEs on the Public Works/Construction category would have to file semi-annual DE9 filings with the Office of Labor Standards, and if an SBA fails to file their DE9, or is not in compliance with the 30% local hiring goal, they would be kicked out of the LBE program for one year. Office staff would be counted towards local hire requirements.
- **A thorough review should be done on how CMD is certifying LBE businesses.**
  - Recently, it has come to light that there are instances where CMD is dual certifying firms as both SBA-LBEs in one category, and a Micro-LBE in another category, effectively allowing larger firms to access micro-set aside contracts, and/or rating bonuses. This practice ultimately hurts true micro-firms in the public contracting environment. We do not believe this is fair, nor within the spirit of the program.
  - CMD has also been usurping CA State law, i.e., Government Code 4525(e) giving some LBE firms a Construction Management certification, when they do not have a licensed architect, registered engineer, or licensed general contractor as one of their principal owners.

**I appreciate your attention to this letter and overall look forward to your support of this long overdue legislation, updating Chapter 14B.**

Thank you,

DocuSigned by:  
  
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Claytis Norman

President/CEO

Integrity First Plumbing Inc.

1607 Birchwood CT San Francisco, CA 94134

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

10/5/2021

Dear Board of Supervisors,

I, Crystal Miks, the CEO of CMC Traffic Control Specialists, Inc a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to our clients and that we are able create a healthy and productive work environment for our employees, it has been no small feat to be part of a two and a half year effort to advance this legislation.

There have been countless in-person meetings, video calls, emails, and internal negotiations, to ensure that our collective voices were taken seriously by the Contract Monitoring Division, the Contract Monitoring Division, Director, Romulus Asenloo, the LBE Advisory Committee, and the City Administrator. And despite allegations that this has been an effort to benefit one LBE firm, I can assure you that there has been a robust community outreach, culminating in a grassroots effort, and coming together of diverse LBEs -across thresholds, categories, and disciplines- to improve what it means to be a Public Works, Construction and Trucking Micro-LBE, LBE, and SBA-LBE in the City and County of San Francisco.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to I, Crystal Miks, believe this legislation, is a step in the right direction to course-correct long time inequities like; the Trucking category never having received a threshold increase since the LBE programs' inception, and bad acting prime contractors never facing consequential fines for not using LBE's on their contracts. It also acknowledges the difficult position many Micro-LBE's have faced when trying to compete against LBE's of larger size standards in the LBE program, and is finally attempting to create capacity-building solutions, through new programs like the Pilot Neighborhood Program and Trucking Program, while also increasing the micro set aside thresholds.

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**Therefore, I vehemently support the following legislative changes to Chapter 14B and ask that you do the same. An abbreviated summary of legislative changes, pages, and lines of legislation included, below:**

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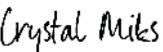
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**Lastly, there are a few final points that I would like the Board of Supervisors to consider:**

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**I appreciate your attention to this letter and overall look forward to your support of this long overdue legislation, updating Chapter 14B.**

Thank you,

DocuSigned by:  
  
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Crystal Miks

CEO

CMC Traffic Control Specialists, Inc

3450 3rd Street Unit 3G, SF, Ca 94124

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
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9/23/2021

Dear Board of Supervisors,

I Crystal Timms the Principle of Yolanda Construction administration & Traffic Controller Inc. a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

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Yolanda Construction administration & Traffic Controller Inc.

196 Mendell St SF Ca 81241

**Save San Francisco Small Business  
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9/20/2021

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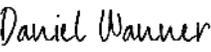
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DocuSigned by:  
  
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Daniel Wanner

President

Hoseley Corporation

96F Pier Administration Building Suite #200 San Francisco, CA 94124

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

10/5/2021

Dear Board of Supervisors,

I, James Mabrey, the President of Yadejs, Inc. a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to our clients and that we are able create a healthy and productive work environment for our employees, it has been no small feat to be part of a two and a half year effort to advance this legislation.

There have been countless in-person meetings, video calls, emails, and internal negotiations, to ensure that our collective voices were taken seriously by the Contract Monitoring Division, the Contract Monitoring Division, Director, Romulus Asenloo, the LBE Advisory Committee, and the City Administrator. And despite allegations that this has been an effort to benefit one LBE firm, I can assure you that there has been a robust community outreach, culminating in a grassroots effort, and coming together of diverse LBEs -across thresholds, categories, and disciplines- to improve what it means to be a Public Works, Construction and Trucking Micro-LBE, LBE, and SBA-LBE in the City and County of San Francisco.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to James Mabrey, believe this legislation, is a step in the right direction to course-correct long time inequities like; the Trucking category never having received a threshold increase since the LBE programs' inception, and bad acting prime contractors never facing consequential fines for not using LBE's on their contracts. It also acknowledges the difficult position many Micro-LBE's have faced when trying to compete against LBE's of larger size standards in the LBE program, and is finally attempting to create capacity-building solutions, through new programs like the Pilot Neighborhood Program and Trucking Program, while also increasing the micro set aside thresholds.

**There is no time like the present to enact this legislation**, because the global COVID-19 pandemic has already delayed a slow legis-

- A financial downturn, due to the economic impacts of the pandemic
- Less access to public contracts, due to a constricting contracting environment
- Severely delayed payment by Primes
- Difficulty accessing business lines of credits

So, as small businesses continue to be hit hard by the economic impacts of the global COVID-19 pandemic, we are in need of bold action that will allow us to economically recover so that we can continue investing in our local economy, hire locally, and compete more fairly when engaging in the public contracting process in San Francisco.

As a small business that has been hit hard by the global COVID-19 pandemic and is in need of bold action that will allow us to economically recover so that we can continue investing in our local economy, hire locally, and compete more fairly when engaging in the public contracting process in San Francisco, I believe these changes to the Chapter 14B legislation are a step in the right direction.

**Therefore, I vehemently support the following legislative changes to Chapter 14B and ask that you do the same. An abbreviated summary of legislative changes, pages, and lines of legislation included, below:**

- The addition of "particularly Micro LBEs" to signify the ordinances' new attention and focus to building capacity of Micro LBEs. – **Page 2, Line 8**
- Moving average gross receipts from 3 years to 5 years. – **Page 5, Line 3**
- Upward adjustments of all the thresholds across all categories. – **Page 5, Line 11 to 25**
- Automatic threshold adjustments based on Urban Area CPI. The controller's office makes the determination. Calculation started from January 1st, 2020. – **Page 6, Line 10 to 15**
- For contracts with mixed local and federal and/or state funding, where the federal or state laws, rules, or regulations prevent the implementation of LBE preference programs, Contract Awarding Authorities are encouraged to break out elements of the contract, and isolate the sources of funding, i.e., local dollars, so that Chapter 14B can be applied. The goal is to encourage departments to break up contracts, and is not a mandate. – **Page 18, Line 14 to 18**

- Higher penalties to pay by Primes who fail to meet the requirements of Chapter 14B. CMD can assess up to 25% of the total contract amount. Willful failure to comply will be included in the Contractor's evaluation report if such evaluation is collected. – *Page 22, Line 7 to 33*
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- Extend bonding program, with approval of risk manager, if funds are available and contracting entity will back the loan. This is for projects adjacent to the city, projects where the city funds them wholly or projects subject to development agreements. – *Page 30, Line 13 to 15*
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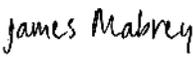
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**Lastly, there are a few final points that I would like the Board of Supervisors to consider:**

- **Create a Remedy for Retention** – Public agencies hold up to 10% of the payment on a contract, regardless of when a construction LBE's time on the job is complete. Essentially, the final 10% is not paid until the entire construction project is in fact done, which in some cases is years later. And, there are many instances where these funds are never paid out. LBEs should not have to wait for these funds, or never ultimately receive payment. They should be paid out all retention, once their time on a contract is complete.
- **The Supervisors should commission a study for the SBA-LBE threshold to also be measured by employee count.**
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**I appreciate your attention to this letter and overall look forward to your support of this long overdue legislation, updating Chapter 14B.**

Thank you,

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James Mabrey

President

Yadejs, Inc.

1325 Evans Suite (B) San Francisco Ca 94124

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

9/21/2021

Dear Board of Supervisors,

I, Martin Lee the Principal of M Lee Corporation a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

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**Therefore, I vehemently support the following legislative changes to Chapter 14B and ask that you do the same. An abbreviated summary of legislative changes, pages, and lines of legislation included, below:**

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**I appreciate your attention to this letter and overall look forward to your support of this long overdue legislation, updating Chapter 14B.**

Thank you,

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Martin Lee

Principal

M Lee Corporation

601 Montgomery St Suite 2040, San Francisco, CA 94111

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

9/17/2021

Dear Board of Supervisors,

I padraic ryan the VP, COO of Eco Bay Services a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to our clients and that we are able create a healthy and productive work environment for our employees, it has been no small feat to be part of a two and a half year effort to advance this legislation.

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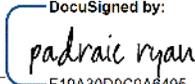
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DocuSigned by:  
  
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padraic ryan

VP, COO

Eco Bay Services

1501 minnesota St, San Francisco

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

10/8/2021

Dear Board of Supervisors,

I, Raymond Horne the Owner of R&I Glassworks a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

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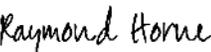
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Raymond Horne

Owner

R&I Glassworks

1325-B Evans Ave San Francisco 94124

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

9/21/2021

Dear Board of Supervisors,

I, Rose Toney, the Owner of RMT Enterprise / We Check On You a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to our clients and that we are able create a healthy and productive work environment for our employees, it has been no small feat to be part of a two and a half year effort to advance this legislation.

There have been countless in-person meetings, video calls, emails, and internal negotiations, to ensure that our collective voices were taken seriously by the Contract Monitoring Division, the Contract Monitoring Division, Director, Romulus Asenloo, the LBE Advisory Committee, and the City Administrator. And despite allegations that this has been an effort to benefit one LBE firm, I can assure you that there has been a robust community outreach, culminating in a grassroots effort, and coming together of diverse LBEs -across thresholds, categories, and disciplines- to improve what it means to be a Public Works, Construction and Trucking Micro-LBE, LBE, and SBA-LBE in the City and County of San Francisco.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to I, Rose Toney, believe this legislation, is a step in the right direction to course-correct long time inequities like; the Trucking category never having received a threshold increase since the LBE programs' inception, and bad acting prime contractors never facing consequential fines for not using LBE's on their contracts. It also acknowledges the difficult position many Micro-LBE's have faced when trying to compete against LBE's of larger size standards in the LBE program, and is finally attempting to create capacity-building solutions, through new programs like the Pilot Neighborhood Program and Trucking Program, while also increasing the micro set aside thresholds.

**There is no time like the present to enact this legislation**, because the global COVID-19 pandemic has already delayed a slow legis-

- A financial downturn, due to the economic impacts of the pandemic
- Less access to public contracts, due to a constricting contracting environment
- Severely delayed payment by Primes
- Difficulty accessing business lines of credits

So, as small businesses continue to be hit hard by the economic impacts of the global COVID-19 pandemic, we are in need of bold action that will allow us to economically recover so that we can continue investing in our local economy, hire locally, and compete more fairly when engaging in the public contracting process in San Francisco.

As a small business that has been hit hard by the global COVID-19 pandemic and is in need of bold action that will allow us to economically recover so that we can continue investing in our local economy, hire locally, and compete more fairly when engaging in the public contracting process in San Francisco, I believe these changes to the Chapter 14B legislation are a step in the right direction.

**Therefore, I vehemently support the following legislative changes to Chapter 14B and ask that you do the same. An abbreviated summary of legislative changes, pages, and lines of legislation included, below:**

- The addition of "particularly Micro LBEs" to signify the ordinances' new attention and focus to building capacity of Micro LBEs. – **Page 2, Line 8**
- Moving average gross receipts from 3 years to 5 years. – **Page 5, Line 3**
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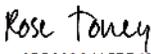
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**Lastly, there are a few final points that I would like the Board of Supervisors to consider:**

- **Create a Remedy for Retention** – Public agencies hold up to 10% of the payment on a contract, regardless of when a construction LBE’s time on the job is complete. Essentially, the final 10% is not paid until the entire construction project is in fact done, which in some cases is years later. And, there are many instances where these funds are never paid out. LBEs should not have to wait for these funds, or never ultimately receive payment. They should be paid out all retention, once their time on a contract is complete.
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**I appreciate your attention to this letter and overall look forward to your support of this long overdue legislation, updating Chapter 14B.**

Thank you,

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 Rose Toney  
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 Owner  
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 RMT Enterprise / We Check On You  
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 RMT Enterprise  
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**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

9/21/2021

Dear Board of Supervisors,

I, Rusty Hoseley, the CEO and Founder of Hoseley Corporation a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to our clients and that we are able create a healthy and productive work environment for our employees, it has been no small feat to be part of a two and a half year effort to advance this legislation.

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As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to I, Rusty Hoseley, believe this legislation, is a step in the right direction to course-correct long time inequities like; the Trucking category never having received a threshold increase since the LBE programs' inception, and bad acting prime contractors never facing consequential fines for not using LBE's on their contracts. It also acknowledges the difficult position many Micro-LBE's have faced when trying to compete against LBE's of larger size standards in the LBE program, and is finally attempting to create capacity-building solutions, through new programs like the Pilot Neighborhood Program and Trucking Program, while also increasing the micro set aside thresholds.

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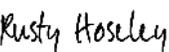
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**I appreciate your attention to this letter and overall look forward to your support of this long overdue legislation, updating Chapter 14B.**

Thank you,

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Rusty Hoseley

CEO and Founder

Hoseley Corporation

96F Pier Administration Bldg, Suite 200, SF 94124

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

9/20/2021

Dear Board of Supervisors,

I, Tana Harris, the President/CEO of Harris Hoisting a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to our clients and that we are able create a healthy and productive work environment for our employees, it has been no small feat to be part of a two and a half year effort to advance this legislation.

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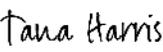
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DocuSigned by:  
  
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Tana Harris

President/CEO

Harris Hoisting

849 13th St., Bldg. #62, San Francisco, CA 94130

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

10/6/2021

Dear Board of Supervisors,

I, Tricia Gregory the Owner of HVYW8 TRUCKING INC a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

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As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to I, Tricia Gregory, believe this legislation, is a step in the right direction to course-correct long time inequities like; the Trucking category never having received a threshold increase since the LBE programs' inception, and bad acting prime contractors never facing consequential fines for not using LBE's on their contracts. It also acknowledges the difficult position many Micro-LBE's have faced when trying to compete against LBE's of larger size standards in the LBE program, and is finally attempting to create capacity-building solutions, through new programs like the Pilot Neighborhood Program and Trucking Program, while also increasing the micro set aside thresholds.

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  - CMD has also been usurping CA State law, i.e., Government Code 4525(e) giving some LBE firms a Construction Management certification, when they do not have a licensed architect, registered engineer, or licensed general contractor as one of their principal owners.

**I appreciate your attention to this letter and overall look forward to your support of this long overdue legislation, updating Chapter 14B.**

Thank you,

DocuSigned by:  
  
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Tricia Gregory

Owner

HVYW8 TRUCKING INC

1485 Bayshore Blvd. # 464 San Francisco, CA 94124

**Save San Francisco Small Business  
Support for 2021 Chapter 14B Ordinance Changes  
Public Works, Construction & Trucking**

10/5/2021

Dear Board of Supervisors,

I, Bruce Giron, the Pres/GenMgr of GECMS, Inc dba Giron Construction a San Francisco Local Business Enterprise (LBE), am reaching out to express my support for the 2021 legislation updating the Chapter 14B Ordinance for the Public Works, Construction, and Trucking categories.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to our clients and that we are able create a healthy and productive work environment for our employees, it has been no small feat to be part of a two and a half year effort to advance this legislation.

There have been countless in-person meetings, video calls, emails, and internal negotiations, to ensure that our collective voices were taken seriously by the Contract Monitoring Division, the Contract Monitoring Division, Director, Romulus Asenloo, the LBE Advisory Committee, and the City Administrator. And despite allegations that this has been an effort to benefit one LBE firm, I can assure you that there has been a robust community outreach, culminating in a grassroots effort, and coming together of diverse LBEs -across thresholds, categories, and disciplines- to improve what it means to be a Public Works, Construction and Trucking Micro-LBE, LBE, and SBA-LBE in the City and County of San Francisco.

As a small business owner, who manages an incredible number of responsibilities each day to ensure that we offer quality services to I, Bruce Giron, believe this legislation, is a step in the right direction to course-correct long time inequities like; the Trucking category never having received a threshold increase since the LBE programs' inception, and bad acting prime contractors never facing consequential fines for not using LBE's on their contracts. It also acknowledges the difficult position many Micro-LBE's have faced when trying to compete against LBE's of larger size standards in the LBE program, and is finally attempting to create capacity-building solutions, through new programs like the Pilot Neighborhood Program and Trucking Program, while also increasing the micro set aside thresholds.

**There is no time like the present to enact this legislation**, because the global COVID-19 pandemic has already delayed a slow legis-

- A financial downturn, due to the economic impacts of the pandemic
- Less access to public contracts, due to a constricting contracting environment
- Severely delayed payment by Primes
- Difficulty accessing business lines of credits

So, as small businesses continue to be hit hard by the economic impacts of the global COVID-19 pandemic, we are in need of bold action that will allow us to economically recover so that we can continue investing in our local economy, hire locally, and compete more fairly when engaging in the public contracting process in San Francisco.

As a small business that has been hit hard by the global COVID-19 pandemic and is in need of bold action that will allow us to economically recover so that we can continue investing in our local economy, hire locally, and compete more fairly when engaging in the public contracting process in San Francisco, I believe these changes to the Chapter 14B legislation are a step in the right direction.

**Therefore, I vehemently support the following legislative changes to Chapter 14B and ask that you do the same. An abbreviated summary of legislative changes, pages, and lines of legislation included, below:**

- The addition of "particularly Micro LBEs" to signify the ordinances' new attention and focus to building capacity of Micro LBEs. – **Page 2, Line 8**
- Moving average gross receipts from 3 years to 5 years. – **Page 5, Line 3**
- Upward adjustments of all the thresholds across all categories. – **Page 5, Line 11 to 25**
- Automatic threshold adjustments based on Urban Area CPI. The controller's office makes the determination. Calculation started from January 1st, 2020. – **Page 6, Line 10 to 15**
- For contracts with mixed local and federal and/or state funding, where the federal or state laws, rules, or regulations prevent the implementation of LBE preference programs, Contract Awarding Authorities are encouraged to break out elements of the contract, and isolate the sources of funding, i.e., local dollars, so that Chapter 14B can be applied. The goal is to encourage departments to break up contracts, and is not a mandate. – **Page 18, Line 14 to 18**

- Higher penalties to pay by Primes who fail to meet the requirements of Chapter 14B. CMD can assess up to 25% of the total contract amount. Willful failure to comply will be included in the Contractor's evaluation report if such evaluation is collected. – *Page 22, Line 7 to 33*
- (Prime) to include its Subcontractor's approved payment requests in any payment application to the City within 30 days of receiving an invoice from an LBE subcontractor – *Page 24, Line 10 to 11*
- The CMD Director can set separate Micro LBE, Small LBE, and SBA LBE requirements when possible. – *Page 27, Line 3 to 8*
- Extend bonding program, with approval of risk manager, if funds are available and contracting entity will back the loan. This is for projects adjacent to the city, projects where the city funds them wholly or projects subject to development agreements. – *Page 30, Line 13 to 15*
- Mentor Protégé Program – *Page 33, Line 10 to Page 34, Line 6*
- Pilot Trucking Program – *Page 34, Line 23 to Page 35, Line 4*
- Pilot Neighborhood LBE Program – *Page 35, Line 6, to Page 36, Line 20*
- Minimum Competitive Threshold Amount will be subject to automatic increase by CPI every five years. The General Services amount will be \$1,000,000. – *Page 37, Line 19, to Page 38, Line 24.*

**I do not support the following change to Chapter 14B and ask that it be removed from the legislation. An abbreviated summary of legislative change, page, and line of legislation included, below:**

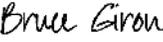
- Potentially allowing CMD/Director to show discretion by allowing an LBE to certify in San Francisco if they share an office with another business and are exchanging their services for monetary rent. – *Page 4, Line 10*

**Lastly, there are a few final points that I would like the Board of Supervisors to consider:**

- **Create a Remedy for Retention** – Public agencies hold up to 10% of the payment on a contract, regardless of when a construction LBE's time on the job is complete. Essentially, the final 10% is not paid until the entire construction project is in fact done, which in some cases is years later. And, there are many instances where these funds are never paid out. LBEs should not have to wait for these funds, or never ultimately receive payment. They should be paid out all retention, once their time on a contract is complete.
- **The Supervisors should commission a study for the SBA-LBE threshold to also be measured by employee count.**
  - San Francisco could also use an employee count as a small business size standard measurement, falling in line with methodologies similar to the federal government. This would acknowledge SBA-LBE's job-creation capabilities for local talent (particularly from underserved communities) by instituting a legislative mechanism, that incentivizes them to (at a minimum) hit the 30% local hiring goals set by OEWD. SBA-LBEs on the Public Works/Construction category would have to file semi-annual DE9 filings with the Office of Labor Standards, and if an SBA fails to file their DE9, or is not in compliance with the 30% local hiring goal, they would be kicked out of the LBE program for one year. Office staff would be counted towards local hire requirements.
- **A thorough review should be done on how CMD is certifying LBE businesses.**
  - Recently, it has come to light that there are instances where CMD is dual certifying firms as both SBA-LBEs in one category, and a Micro-LBE in another category, effectively allowing larger firms to access micro-set aside contracts, and/or rating bonuses. This practice ultimately hurts true micro-firms in the public contracting environment. We do not believe this is fair, nor within the spirit of the program.
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DocuSigned by:  
  
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Bruce Giron

Pres/GenMgr

GECMS, Inc dba Giron Construction

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