

REQUEST FOR QUALIFICATIONS

TO: Prospective Firms

FROM: MERCY HOUSING CALIFORNIA and YOUNG COMMUNITY DEVELOPERS

DATE: March 9, 2026

SUBJECT: TRANSBAY BLOCK 4 WEST

I. PROJECT OVERVIEW

Mercy Housing California (“Mercy” or “MHC”) and Young Community Developers (“YCD”) have been selected by Office of Community Investment and Infrastructure (“OCII”) to develop Transbay Block 4 West (the “Project”) and an extension of Tehama Street adjacent to the Project for subsequent acceptance by the City and County of San Francisco (the “Tehama Project”), located in the Transbay District in San Francisco (see Figure 1 below). The Project will consist of one building: Transbay 4 West, with approximately 314 units of family housing, which will be developed and owned by Mercy and YCD. Additional amenities include resident services spaces, childcare, ground floor retail, pedestrian mews, and street improvements via a new extension of Tehama St. The building is anticipated to be Type I construction. Part of the development team’s evaluation of firms will be experience with high-rise building design and systems, experience with projects of this large size, complexity, and capacity for this development. The Tehama Project will include a new roadway, crosswalks, sidewalks, and related streetscape improvements, designed and constructed in accordance with City standards.

PROJECT DEVELOPERS

Mercy Housing California – Co-Developer

Mercy Housing California is a California-based non-profit housing development corporation with the mission of creating and strengthening healthy communities through the provision of quality, affordable, service-enriched housing for individuals and families who are economically poor. MHC has been developing and owning affordable housing in San Francisco for 35 years. MHC owns and operates 51 buildings that it developed in San Francisco for families, seniors, disabled and the formerly homeless in San Francisco, including two properties in Transbay. MHC is an affiliate of Mercy Housing, Inc. (MHI), a national non-profit housing development, management, and resident services with sponsorships from eleven congregations of women religious. www.mercyhousing.org.

Young Community Developers – Co-Developer

Founded in 1973 and based in San Francisco, YCD is rooted in racial equity and economic empowerment. For over 50 years, YCD has worked to break the cycle of poverty, with college prep programs and an extensive workforce development platform for a spectrum of City residents. YCD’s real estate development staff provide co-development services on 4 affordable housing developments. YCD is growing its experience and track record by partnering with well-established development organizations, with the vision to be able to independently develop housing on its own in the future. Its leadership and staff reflect the communities they serve in Bayview-Hunters Point, Potrero Hill, and the Western Addition. YCD provides a continuum of workforce development, housing stabilization, and educational services that support individuals and families throughout their lifetimes. www.ycdjobs.org

ARCHITECTS

Kennerly Architecture and Planning (“KAP”) – Project Architect

Kennerly Architecture and Planning has made the design of innovative urban buildings the cornerstone of its practice for over 20 years. Working across all of San Francisco, the projects reconcile the sensitivities of neighborhood context with the high level of design and amenity that stakeholders demand. Each project is a thoughtful synthesis of the end-user's needs, community aspirations, and a broad vision for the neighborhood, the city, and environment. It is a synthesis born from rigorous design iteration, collaboration and problem-solving. Kennerly Architecture looks forward to collaborating with a fantastic team on this exciting project. <https://kennerlyarchitecture.com/>

Solomon Cordwell Buenz ("SCB") – Project Architect

SCB is one of the Bay Area's most prolific residential architects, with 60 completed or active housing communities and over 20,000 residential units in its regional pipeline. To date, they have delivered 7,000+ homes, with another 1,100 under construction, 2,700 entitled, and 9,500 in design. These figures speak to their unmatched capacity and long-standing role shaping San Francisco's skyline and neighborhoods. Backed by 90+ years of national practice, SCB is made up of specialists in high-density urban housing, particularly tall residential towers in complex infill environments. SCB comes with a strong history of collaboration with city agencies including OCII. <https://scb.com/>

Project Design

Transbay Block 4 is a keystone site that will define the fourth wall of Transbay Park and mark the transition from the high-rise commercial district to the mixed-use residential neighborhood. Our proposal will enhance the character of the Transbay district through the diversity of its residents, its active street level uses, and high-quality architecture to create a place of belonging for residents and neighbors alike. Our design approach builds community at all scales: between proximate neighbors on a floor, among the residents throughout the building, and between the new building and the larger district beyond their walls. These aspirations are realized through thoughtfully designed spaces inside and out, enveloped by a rich materiality and transparency.

The building, developed and owned by Mercy and YCD with Kennerly Architecture & Planning as Prime Architect, will be a 24-story, 240' high-rise building. The building will have roughly 314 family and senior units, with 25% one bedrooms, 50% two bedrooms, and 25% three bedrooms. The building contains a range of affordability levels to create a diverse community, from 30% AMI units up to 60% MOHCD AMI, with an average of 50% MOHCD AMI. Mirroring the adjacent building, townhomes with private entries and stoops face the park along Tehama. Accessed from the mid-block passage between Howard and Tehama Streets, the Building Lobby wraps down the Mid-block mews and is flanked by the retail space along Howard Street.

Street activation, spatial delight and surprise wrap the new Block 4-West development. The 4,200 square foot commercial space, envisioned to be a grocery store, will serve as a new community anchor energizing Howard Street and Beale Street corner. With a 15-foot glass facade scaled by canopies and entries, this retail frontage offers a welcome foil to the office lobbies across Howard. A 25-foot-wide mews divides the block creating a pedestrian link to the adjacent future Block 4-East development as well as the new park. Activated on both sides by retail, residential lobbies, and townhome stoop entries at both affordable and market-rate buildings, the mews, as well as the new eastern extension of Tehama Street, connects the mid-block Open Space parcel to Howard, Beale, and Main streets. A verdant and welcoming set of spaces, the mews and courtyard form an amenity and shared entry sequence for both seniors and families alike. The townhome stoops along Tehama, lobby entry, and shared community space form an active frontage with appropriate scale and use to front the new park. Street level back of house spaces along Beale are

minimized with the use of partial basements. A loading dock will serve both the residential areas of the building as well as the retail space.

The proposed unit mix, as illustrated in **Exhibit C**:

	Studios	1-Bdr	2-Bdr	3-Bdr	Total
Family Building	0	80	156	78	314

Please note that Mercy and YCD are exploring additional concepts on the site, so this unit mix and density is subject to change. Interested firms should describe any experience with high-rise building design and systems.

Additional Project Information

Scope

Concept design drawings are outlined in **Exhibit D: Design Drawings**.

Transbay Redevelopment Project Area Information

The site is located in the Transbay Redevelopment Project Area. OCII's website provides links to the Redevelopment Plan, the Development Controls and Design Guidelines, the Design for Development, and other planning and environmental information that should be considered.

<http://sfocii.org/transbay>

Anticipated Project Schedule

The following development durations are currently estimated:

<u>Scope</u>	<u>Duration</u>	<u>Estimated Start Date</u>	<u>Estimated Completion</u>
Conceptual Design	3 Months	May 2026	July 2026
Schematic Design	5 Months	July 2026	December 2026
Design Development	4 Months	February 2027	June 2027
Contract Documents:			
Permit Set	5 Months	June 2027	November 2027
Bid Set	3 Months	November 2027	February 2028
Demolition	3 Months	April 2028	July 2028
Construction/Lease Up	26 Months	October 2028	December 2030

II. PROFESSIONAL SERVICES REQUESTED

This section includes the professional services requested. Please refer to **Exhibit B: Sample Scope of Services** for additional information. Please note that the scope below and in Exhibit B can be broken out into separate smaller scopes to encourage participation from small businesses. All who have experience in at least a portion of the scope of work requested are encouraged to apply. Please note that Request for Proposals following this RFQ will be issued in three phases. **Phase 1 consultants** RFP will be issued immediately following the RFQ. **Phase 2 consultants** RFP will be issued 2 months following the RFQ. **Phase 3 consultants** RFP will be issued Q1-Q2 2027.

Phase 1 Consultants:

Archaeologist
Associate Architect
Civil Engineer
Construction Manager
Elevator Consultant
Environmental Consultant
Fire/Life Safety Code and Smoke Control Consultant
Geotechnical Engineer / Settlement Engineer
Joint Trench Consultant
Landscape Architect
Mechanical, Electrical, and Plumbing (MEP) Engineer
Shadow Consultant
Structural Engineer
Surveyor
Waterproofing/Building Envelope Consultant

Phase 2 Consultants:

Arborist
Accessibility Consultant
Acoustic Consultant
Commissioning Agent
Corrosive Soils Consultant
ERRCS Consultant
Exterior Building Maintenance Consultant
Door Hardware Consultant
Fire Service Access Elevator Consultant
Hazardous Materials Consultant
Lighting Designer
Solar Consultant
Specification Consultant
Sustainability Consultant
Title 24 / Energy Modelling
Traffic / Transportation Engineer
Trash / Waste Management
Wi-Fi Design Consultant
Wind Study Consultant

Phase 3 Consultants:

Special Inspection

III. OCII SMALL BUSINESS ENTERPRISE GOAL

The Project is administered by the Office of Community Investment and Infrastructure (“OCII”). OCII’s Small Business Enterprise (“SBE”) Program is applicable to the Project with a 50% LBE/SBE participation goal. The Development Team and Design Team are committed to making a good-faith effort to contract professional services consultants certified as LBE/SBEs.

When awarding contracts, first consideration will be given to San Francisco-based SBEs(LBEs), followed by all other SBEs. Non-San Francisco-based SBEs will be used to satisfy participation goals only if San Francisco-based SBEs are not available, qualified, or if their bids or fees are significantly higher than those of non-San Francisco-based SBEs

OCII no longer directly certifies SBEs, however OCII will honor firms certified with the City and County of San Francisco as a Local Business Enterprises (LBEs). OCII will also recognize SBEs outside of San Francisco who meet OCII’s SBE size standards. In terms of income thresholds, in order to be recognized as an SBE, a business must have an average gross receipt income based on the three most recent tax returns that does not exceed \$5,860,000 for Professional Services.

OCII will accept the information on documented small economically disadvantaged business certifications from the following jurisdictions: the City and County of San Francisco’s Contract Monitoring Division (CMD), the State of California, the Federal government, and any other local jurisdiction, so long as size standards are met. OCII will make the final determination on the consistency of the certification standards and acceptance or denial of certifications listed above. For more information please reference Exhibit E.

To search for certified Local / Small businesses in the City and County of San Francisco, and for information on LBE certification with the City and County of San Francisco, please visit the following site: <http://sfgov.org/cmd/lbe-certification>.

In addition to LBE/SBE goals, all design professionals with contracts over \$100,000 must make a good-faith effort to meet trainee-hiring goals in accordance with the OCII’s SBE Policy. Good-faith efforts include working directly with OCII’s Contract Compliance staff to meet trainee-hiring obligations.

Please contact Julia Hernandez, Contract Compliance Specialist for additional information at Julia.hernandez2@sfgov.org

IV. SELECTION PROCESS AND SCHEDULE:

Qualifications Requirements

The Development Team is requesting submittals from individual firms only. Please **DO NOT** include team submittals (e.g. including two or more firms, joint ventures, and/or associations with other firms). All interested candidates must submit information about their firm that identifies the following components. Please adhere to the following page limitations – each side of a double-sided sheet counts as one page.

1. Cover Letter & Contact Person. Firm introduction, service(s) offered and years of experience (minimum of **three** years). If the firm intends to provide services covering several disciplines, please clearly state all disciplines. Please clearly list the main point of contact and their contact information (name, address, phone, email). *2 pages maximum*.
2. List your experience working on projects of similar size and scope. Experience with multifamily housing

projects is required and sustainability/GPR/LEED a plus. Include experience in Type I and high-rise construction. *3 pages maximum.*

3. List your experience with projects in the City and County of San Francisco. Please include information on your experience with obtaining permits and approvals from OCII, the former San Francisco Redevelopment Agency and San Francisco Department of Building Inspection, as relevant. Experience working in the Transbay District strongly encouraged. *1 page maximum.*
4. Comparable Projects. List of no more than four comparable projects you have worked on. Comparable projects are those with Construction Costs greater than \$35,000,000 and/or at least 75 residential units within the last 10 years. Associate Architect respondents must provide at least one Comparable Project as described above and may provide examples of interior work comparable to the project's ground floor uses. *4 pages maximum (or 1 page per project).* In addition, please provide three images for each comparable project: *1 page per project maximum.* For each project, please note:
 - a. Project name and location.
 - b. Brief project description/Scope of Work, and your role and scope of work.
 - c. Date completed.
 - d. Total number of units, total gross square footage, and construction cost.
 - e. References (contact name, title, company, relation to project, and phone number).
5. Resumes. Include resumes from your project team. *3 pages maximum.*
 - a. List the Principals and employee's professional licenses, accreditation, and memberships
6. Insurance Capabilities. Copy of Insurance Certificate listing general liability, workers' compensation, professional liability, crime policy, excess/umbrella, automotive coverage commensurate with the project type.
7. SBE/LBE Status. Confirmation of current SBE/LBE status certification, as available.

SCHEDULE

The RFQ process and timeline includes the following key milestones:

Issuance of RFQ: **March 9, 2026**

Pre –Submittal Conference (Optional): **March 20, 2026 - 11:00 am-12:00 pm PST.**

Location: This conference will take place via online video conference.

Please RSVP at the following link: [Pre-Submittal Conference RSVP](#)

Please use this public link to access the conference at the above time and date:

<https://teams.microsoft.com/meet/25462506354223?p=koRdnnqFWwF4KbH8Nz>

Question & Answer Period

The Development Team is committed to providing additional feedback to assist firms with questions they may have. The Question & Answer Period includes the following:

Questions Due: **March 23, 2026 at 2:00PM PST.**

Questions must be submitted by email and directed to:

- Consultants: submit questions only to Sean Wils, Senior Project Manager (Sean.Wils@mercyhousing.org)

Responses to Questions Posted: **March 27, 2026 at 2:00PM PST.** Responses to all questions will be posted as an RFQ Addendum at the following site: <https://sfocii.org/rfps-rfqs-bids>

Submittal Requirements

Responses to this RFQ must be by email only. To respond to this RFQ for any of the disciplines listed herein, please submit one PDF soft copy (via email: 10MB max, if greater than 10MB, send a sharefile link) of your response by **April 6, 2026 at 2:00PM PST** to:

- Consultants: submit responses only to Sean Wils, Senior Project Manager (Sean.Wils@mercyhousing.org)

Physical hard-copy, fax or verbal responses will not be accepted. All documents and attachments are to be bound together in a single file. Please use the following naming convention for the PDF response: *Transbay 4_Professional service applying for_Name of firm*

(example: Transbay4_StructuralEngineer_ABCEngineers.pdf). All documents will become the property of Owner and Architect.

Shortlist and Evaluation Process

The Development Team will evaluate and rank RFQ submittals (including SBE participation) and select a shortlist of consultants. This RFQ shortlisting process is anticipated to be completed by **April 2026**. The Developer will invite shortlisted firms to respond to a Request for Proposal (RFP).

V. SELECTION CRITERIA

The Development Team will evaluate all completed, responsive, and qualified submittals. Evaluations will be based on the information provided in conjunction with the Selection Criteria as noted below. Upon completion of the evaluation, the Developer will select firms to submit proposals on the Project and may request in-person interviews. During the evaluation period, the OCII Contract Compliance Department will review the Developer's recommended shortlist. The Development Team reserves the right to accept or reject any and all proposals at their sole discretion. Consultants will be selected based on the following criteria:

Step 1: Evaluation of Qualifications

1. Strength of the consultant's qualifications to undertake the project and scope of services.
2. Experience with projects similar in size, scope and construction type (where applicable).

3. Experience working with the relevant jurisdictions affecting this project such as OCII, the former San Francisco Redevelopment Agency, and the San Francisco Department of Building Inspection.
4. Experience working in the Transbay area of San Francisco.
5. Project team member(s) individual experience.
6. GreenPoint Rating certification, as appropriate to the disciplines that you are submitting.
7. Ability to participate in Revit-based workflow (share experience participating in BIM coordination). Preference will be for the firms with experience in a BIM-based coordination process.
8. Ability to adhere to the project schedule.
9. SBE/LBE Certification.
10. Insurance.
11. Completeness of qualifications in response to the RFQ.

The Development Team, subject to OCII's review and recommendation, reserves the right to divide the project into multiple parts, to increase or decrease scope of services, reject any and all proposals, and temporarily abandon or permanently abandon the Project. The Development Team makes no representations, written or oral, that it will enter into any form of agreement with any respondent to this RFQ for any project. No such representation is intended or should be construed by the issuance of this RFQ.

Respondent acknowledges and accepts that any costs from the respondent's participation in this RFQ shall be at the sole risk and responsibility of the respondent.

The Development Team has an interest in seeing that the Project Team is ultimately comprised of diverse and competent consultants and subcontractors retained in compliance with OCII's SBE Policy. **Therefore, for the purpose of the RFQ, respondents SHALL NOT form contracts with consultants or subcontractors or request or enter into exclusive or non-exclusive arrangements, which would preclude them from participating in the Project as a part of another team.** By submitting a response to this RFQ, Respondent acknowledges that the Project Team may request Respondent to explore Joint Venture (JV) Association, or other teaming arrangements with another successful respondent and agrees to cooperate with the Project Team to explore such arrangements prior to contract award. An award, if any, may be conditioned on such arrangement.

OCII recognizes JVs and Associations between non-SBE firms and SBE firms where the SBE partner performs at least 35% of the work defined in a written JV or Association agreement, and receives at least 35% (or a proportionate share, whichever is higher) of the dollars to be earned by the JV or Association. Under this arrangement, OCII will deem the JV or Association to be an SBE for the purposes of meeting the SBE goal. However, as mentioned previously, no teaming is to occur at the RFQ stage of the selection process.

Step 2: Shortlisting and RFP Phase

The Development Team will review all submitted and complete RFQ responses and will require scope and fee RFPs based on a shortlist of qualified firms. Qualified firms, as appropriate, may be asked to participate in an interview as part of the RFP selection process.

OCII and the Development Teams are responsible for ensuring that the procurement process is free of discriminatory practices which would exclude qualified small business enterprises in securing contracts.

VI. NO REIMBURSEMENT FOR COSTS

Respondent acknowledges and accepts that any costs incurred from the respondent's participation in this RFQ shall be at the sole risk and responsibility of the respondent.

VII. EXHIBITS

- Exhibit A: CHECKLIST FOR QUALIFICATIONS SUBMITTAL
- Exhibit B: ABBREVIATED SCOPE OF SERVICES
- Exhibit C: INSURANCE REQUIREMENTS
- Exhibit D: DESIGN DRAWINGS
- Exhibit E: SBE POLICY

EXHIBIT A: CHECKLIST FOR QUALIFICATIONS SUBMITTAL

Please refer to the following checklist in the preparation of your submittal, including section number, submittal format and description, as well as page limits.

Section Number	RFQ Submittal Format	Section Description	Page Limit
1	Cover Letter	<p>Firm Introduction</p> <ul style="list-style-type: none"> • Professional Services Provided • Years in the profession • Number of employees • Legal status and IRS Employee ID Number <p>Contact Information</p> <ul style="list-style-type: none"> • Main Contact Name and Title • Company Address • Phone and Email <p>Scope of Work <i>List all disciplines you want to be reviewed and evaluated for, including any that may not be listed in this RFQ.</i></p>	2
2	Project Experience	<p>List firm experience working on projects of similar size and scope</p> <ul style="list-style-type: none"> • Multifamily Housing • Sustainability/Greenpoint Rated Projects • Type I construction • High rise construction • Retail • Streetscape construction (if applicable to scope) 	3
3	Regional Experience	List firm experience with projects in the City & County of San Francisco	1
4	Comparable Projects	<p>List four similar projects the firm has worked on</p> <ul style="list-style-type: none"> • Project name and location • Project description and consultant's scope of work • Date completed • Total number of units, total gross square footage and construction costs • References (contact name, title, company, relation to project, phone, email) <p>Provide up to three images of each comparable project; 1 page of project images per project</p>	4 4
5	Resumes	<p>Include resumes from the firm's project team</p> <ul style="list-style-type: none"> • Names of key staff and roles/responsibilities • Brief bio for key staff members • Relevant professional licenses, accreditation and memberships 	3

6	Insurance	Copy of the firm's current certificates of insurance	1
7	SBE Status	Provide documentation of current SBE status certification	1

EXHIBIT B: ABBREVIATED SCOPE OF SERVICES

I. The following represents a sample of the RFP Scope of Services by discipline to be issued to the candidates on the approved shortlists. As mentioned above, firms that are experienced in at least some of this scope are encouraged to apply. As a reminder, the list below does not represent all of the consultants we are currently soliciting Request for Qualifications from. Please reference Section II. PROFESSIONAL SERVICES REQUESTED for a complete list of consultants currently being solicited.

Consultants:

Accessibility Consultant

- Provide accessibility consulting services to review building and site design for compliance with ADA, CBC, and other applicable accessibility standards for the project.
- Prepare a technical report for project team with recommendations to ensure full accessibility and code compliance.

Arborist

- Provide arborist consulting services to assess existing trees, propose future tree planting on the site, evaluate potential impacts, and recommend preservation or mitigation strategies for the project.
- Prepare a tree assessment report with protection measures, removal guidelines, and compliance with local regulations.

Archaeologist

- Anticipated to be for the full site – both Transbay 4 West and Tehama
- Assess archaeological resources of development site, review historic documentation, perform field investigations, monitor construction activities, coordinate with SHPO and other entities as needed, generate reports as needed.

Associate Architect

- Design, documentation, coordination, and production as an integrated part of the team in Conceptual Design, Schematic Design, Design Development, Construction Documentation, Bidding/Negotiation and Construction Administration phases.
- Specifically, the development team is interested in exploring how the Prime Architect could mentor a small architectural firm located in the surrounding neighborhood.
- Ability to coordinate with Prime Architect through Revit.

Acoustic Consultant

- Provide building acoustical consulting to evaluate interior noise control, sound isolation, and vibration mitigation for the project.
- Provide environmental acoustics consulting during design and construction phases to assess and model noise impacts from exterior and interior sources for the proposed residential development.
- Prepare a technical report with mitigation recommendations to ensure compliance with local noise regulations and enhance occupant comfort.

Civil Engineering Consultant

- Anticipated to be for the full site – both Transbay 4 West and Tehama
- Civil engineering documentation, coordination, and production as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases.

Construction Manager/Owner's Representative

- Anticipated to be for the full site – both Transbay 4 West and Tehama
- Serve as a technical advisor to owners on design and construction issues through pre-construction,

- construction, and closeout phases
- Prepare recommendations that will enhance the design, constructability, value and cost and time efficiency of the development.
- Attend design meetings and assist in the development of project plans and specifications and advise Owner as issues arise.
- Work with Owner during preconstruction process to review contractor budgets and schedules. Attend preconstruction and related project meetings. Review architect's construction drawings at each phase.
- Representing the owners during the building permitting process. Will coordinate with utility companies when necessary (AT&T, Comcast, satellite, City of SF free internet service, water& power) and lead the effort with utility contracts, approvals, and service.

Commissioning Agent

- Provide comprehensive verification and optimization of building systems for the project.
- Ensure mechanical, electrical, and plumbing systems operate efficiently, safely, and in full compliance with design intent and code requirements.

Corrosive Soils Consultant

- Provide soil sampling, field testing, and analysis to evaluate corrosivity for the building foundation and buried utilities.
- Assess corrosion potential on the site, and closely advise the design and construction teams throughout the design process.

Door Hardware Consultant

- Assist the design team in the selection, detail, and scheduling of all door hardware throughout the building.
- Advise the project team regarding hardware installation during construction.

Elevator Consultant

- Determine location, duty and sizing of proposed equipment and establish design criteria, financial estimates, and technical specifications.
- Recommend special services, accessibility features and security applications.

Environmental Consultant

- Anticipated to be for the full site – both Transbay 4 West and Tehama
- Phase 1, and if necessary, Phase 2 studies and reports.
- May include hazardous soil remediation planning, dust control, Maher-Article 22A documentation, Article 31 documentation, coordination, and production as an integrated part of the team in the Design Development, Construction Documentation, and Construction Administration phases.

ERRCS Consultant

- Provide Emergency Responder Radio Coverage System (ERRCS) consulting services to evaluate in-building public safety radio signal strength and code compliance for the proposed project.
- Assist project team with the design and installation of building ERRCS systems.

Exterior Building Maintenance Consultant

- Provide design consulting services for a complete, compliant, and cost-effective EBM system.
- Collaborate with project's structural engineers to develop roof layout, and coordinate with other trades impacting the roof, such as mechanical, solar and landscape.
- Develop complete OPOS, which dictates the policy, procedures, maintenance schedule, and other pertinent information for use by the window cleaning contractor and the building staff.

Fire/Life Safety Code and Smoke Control Consultant

- Provide fire safety and smoke control consulting for residential buildings, ensuring full compliance with

applicable codes and regulations.

- Review designs and evaluate systems to develop effective strategies that protect occupants and mitigate fire and smoke risks.

Fire Service Access Elevator Consultant

- Provide fire service access elevator consulting to evaluate code requirements for designated fire service access elevators within the proposed project.
- Prepare a technical summary outlining compliance criteria, equipment specifications, and coordination requirements with architectural, structural, and MEP systems.

Geotechnical Engineering Consultant

- Anticipated to be for the full site – both Transbay 4 West and Tehama
- Geotechnical engineering design, documentation, coordination, and production as an integrated part of the team in the Design Development, Construction Documentation, and Construction Administration phases.
- Provide analysis of predicted settlement at various locations, with design recommendations for expected settlement depths.

Hazardous Materials Consultant

- Assist the project team in the identification, management, and handling of potentially hazardous or sensitive materials.
- Ensure project's compliance with requirements of applicable regulatory bodies.

Landscape Architect and Irrigation Design

- Anticipated to be for the full site – both Transbay 4 West and Tehama
- Landscaping and Irrigation design, documentation, coordination, and production as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases.

Lighting Designer

- Anticipated to be for the full site – both Transbay 4 West and Tehama
- Provide architectural lighting consultation services as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases. for common areas and units.

MEP and Fire Protection Engineering Consultant

- MEP and Fire Protection engineering design, documentation, coordination, and production as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases.

Shadow Consultant

- Work with the project design team on design, documentation, coordination, and production as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases.
- Provide analysis regarding the impact of sunlight, shade, and shadow patterns on the project's design as well as the surrounding neighborhood and environment.

Solar Consultant

- Advise the project team regarding the feasibility, design, and financing of solar energy systems.
- Guide the design and construction teams through installation of such systems during construction.

Special Inspection

- Provide special inspection consulting to perform code-required inspections of structural, concrete,

masonry, and other critical construction elements for the project.

- Prepare inspection reports and documentation to verify compliance with approved plans, specifications, and applicable building codes.

Specification Consultant

- Provide architectural specifications and coordinate Project Manual with sections provided by all members of the design team.
- Work with the project design team on design, documentation, coordination, and production as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases.

Structural Engineering Consultant

- Design, documentation, coordination, and production as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases.

Surveyor

- Anticipated to be for the full site – both Transbay 4 West and Tehama
- Site survey documentation, coordination, and production as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases.

Sustainability

- Provide assistance to the project team in identifying sustainability goals and certification programs to pursue, and lead certification efforts for the program chosen.
- Work with the design team throughout the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases to ensure sustainability standards are followed and integrated into the building.

Title 24 / Energy Modeling

- Provide Title 24 and energy modeling consulting services to evaluate building energy performance, code compliance, and efficiency measures for the proposed residential development.
- Prepare compliance reports and recommendations to support permitting and optimize energy efficiency strategies.

Traffic / Transportation Engineer

- Provide traffic and transportation engineering services to assess project-related impacts on adjacent roadways, intersections, and site access for the proposed residential development.
- Prepare a technical memorandum/report with trip generation, circulation analysis, and recommended mitigation measures as required by local agency standards.

Trash / Waste Management

- Provide solid waste management consulting services to evaluate refuse, recycling, and organics handling needs for the proposed residential development.
- Prepare a waste management plan outlining enclosure design criteria, collection logistics, and compliance with local hauler and municipal requirements.

Utility / Joint Trench Engineering Consultant

- Utility/Joint Trench design, documentation, coordination, and production as an integrated part

of the team in the Schematic Design, Design Development, Construction Documentation, and Construction Administration phases.

- Act as main point of contact with utility companies, compiling and submitting utilities applications.

Waterproofing Consultant

- Review, documentation, coordination, and detail/specification production for project exterior envelope as an integrated part of the team in the Schematic Design, Design Development, Construction Documentation, Bidding/Negotiation and Construction Administration phases.

Wifi Design Consultant

- Provide assistance to the project team in the planning, design, installation, and optimization of internet and related telecommunications infrastructure.

Wind Study Consultant

- Provide wind analysis services to evaluate pedestrian-level and building wind conditions for the project.
- Prepare a technical report with findings and design recommendations to address wind comfort and safety.

**EXHIBIT C: ARCHITECT/CONSULTANT/ENGINEER
INSURANCE REQUIREMENTS**

Prior to the commencement of any work for Mercy Housing, Inc. or its related entities, the Architect or Consultant or Engineer ("Consultant") shall purchase and maintain insurance as required by law and not less than the following insurance coverage and limits of liability. (Aggregate limits may be met through a combination of primary and excess policies).

A. Commercial General Liability (Occurrence Form with defense cost outside the limits):

Combined Bodily Injury and Property Damage Liability:

General Aggregate	\$ 2,000,000	Limit of Liability
Products - Completed Operations Aggregate	\$ 2,000,000	Limit of Liability
Each Occurrence	\$ 1,000,000	Limit of Liability
Personal Injury	\$ 1,000,000	Limit of Liability

B. Workers' Compensation and Employer's Liability:

Coverage A:

Statutory Coverage: As required by the State in which the project is located

Coverage B:

Employers Liability Coverage: \$ 1,000,000 Each Accident
\$ 1,000,000 Disease, Policy Limit
\$ 1,000,000 Disease, Each Employee

C. Business Auto Policy:

Combined Bodily Injury and Property Damage Liability
(Combined Single Limit): \$1,000,000 each accident

Liability Coverage for the following must be included: Any Automobile **OR**
Owned, Non-Owned and Hired
Automobiles

D. Professional Liability:

Minimum amount of coverage required is \$1,000,000 per occurrence / \$1,000,000 aggregate.. May be written on a claims-made form. However, if coverage is not renewed after any given policy year, a 3-year extended reporting period coverage extension must be provided.

E. SUCH OTHER INSURANCES (IF ANY) AS ARE REQUIRED FOR THE PARTICULAR PROJECT AS SET OUT ON THE LAST PAGE OF THIS ATTACHMENT.

ADDITIONAL REQUIREMENTS:

1. The Consultant shall furnish Original certificates of insurance to show that the insurance specified in this contract is in force, stating policy numbers, dates of expiration, limits of liability, coverages there-under and the name of the project.
2. Save as expressly provided herein all liability insurance policies shall be written on an occurrence basis.
3. All policies are to be written through insurance companies duly entered and authorized to transact that class of insurance in the state in which the project is located. The Insurance Companies must have an A.M. Best rating of A-, VIII or better in the most recent Best's Key Rating Guide.
4. Approval, disapproval or failure to act by the Owner regarding any insurance supplied by the Consultant shall not relieve the Consultant of full responsibility or liability for damages and accidents. Neither shall the bankruptcy, insolvency or denial of liability by the insurance company exonerate the Consultant from liability.
5. Owner shall make no special payments for any insurance that the Consultant may be required to carry; all are included in the contract price and in the contract unit prices.
6. Upon notification, Consultant shall add owner, lenders, investors and other parties of interest as additional insureds to the liability policies, and/or dual obligees to any bond required under the contract.

Exhibit D: Design Drawings

Exhibit E: SBE Policy



OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE

SMALL BUSINESS ENTERPRISE POLICY

Adopted: November 16, 2004
Amended and Restated: July 21, 2009
Second Amendment: July 7, 2015
Third Amendment: March 15, 2022

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I. INTRODUCTION

The Agency is acutely aware of the many challenges that small businesses face when contracting with public entities. The mission of the Agency includes economic development in Project Areas and accordingly this Small Business Enterprise Policy ("**SBE Policy**") is to establish a set of Small Business Enterprise participation goals and good faith efforts designed to ensure that monies are spent in a manner which provides SBEs with an opportunity to compete for and participate in Office of Community Investment and Infrastructure ("**OCII**" or "**Agency**") assisted projects. A genuine effort will be made to give First Consideration to Project Area SBEs and San Francisco- based SBEs before looking outside of San Francisco.

II. APPLICATION

This SBE Policy applies to all Contractors and their subcontractors seeking work on Agency-Assisted Projects on or after November 17, 2004 and any Amendment to a Pre-existing Contract as that term is defined in Article III - Definitions.

All Agency-Assisted Contracts, including contracts with both for profit and non-profit developers, shall contain a requirement that the developer and its general contractor and all subcontractors (regardless of tier) comply with this SBE Policy.

III. DEFINITIONS

"**Small Business Enterprise (SBE)**" means an economically disadvantaged business that is certified by another public entity (either municipal, State, or federal agency) that considers the certification criteria stipulated in this Policy. In general, such criteria shall include a determination by the public entity as to whether an economically disadvantaged business is an independent and continuing business for profit; performs a commercially useful function; is owned and controlled by persons residing in the United States or its territories; and has average gross annual receipts in at least the three years (and no more than five years, if practiced by the public entity) immediately preceding its application for certification as a SBE that do not exceed the following limits:

Industry	OCII SBE Size Standard
Construction Contractors	\$24,000,000
Specialty Construction Contractors	\$14,000,000
Suppliers (goods/materials/ equipment and general services)	\$12,000,000
Professional Services	\$5,000,000
Trucking	\$5,000,000

In addition, an economically disadvantaged business shall meet the other certification criteria described in Exhibit I in order to be considered an SBE by the Agency.

In order to determine whether or not a firm meets the above economic size definitions, the Agency will use the firm's most recent business tax returns (i.e., 1040 with Schedule C for Sole Proprietorships, 1065s with K-1s for Partnerships, and 1120s for Corporations) to calculate the firm's average annual gross receipts. In addition, the calculation of a firm's size shall include the receipts of all affiliates.

Once a business reaches the average size threshold for the applicable industry the business ceases to be economically disadvantaged, it is not an eligible SBE and it will not be counted towards meeting SBE contracting requirements (or goals).

"Affiliates" means an affiliation with another business concern based on the power to control, whether exercised or not. Such factors as common ownership, common management and identity of interest (often found in members of the same family), among others, are indicators of affiliation. Power to control exists when a party or parties have 50 percent or more ownership. It may also exist with considerably less than 50 percent ownership by contractual arrangement or when one or more parties own a large share compared to other parties. Affiliated business concerns need not be in the same line of business.

"Agency-Assisted Contract" means Development and Disposition Agreements, Land Disposition Agreements, Leases, Loan and Grant Agreements, and other similar contracts and agreements that the Agency executes with for-profit or non-profit entities.

"Agency Contract" means personal services contracts, purchase requisitions, and other similar contracts and operations agreements that the Agency executes with for-profit or non-profit entities.

"Amendment to a Pre-existing Contract" means a material change to the terms of any contract, the term of which has not expired on or before the date that this Small Business Enterprise Policy ("SBE Policy") takes effect, but shall not include amendments to decrease the scope of work or decrease the amount to be paid under a contract.

"Annual Receipts" means "total income" (or in the case of a sole proprietorship, "gross income") plus "cost of goods sold" as these terms are defined and reported on Internal Revenue Service tax return forms. The term does not include net capital gains or losses; taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. For size determination purposes, the only exclusions from receipts are those specifically provided for in this paragraph. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer's request, and employee-based costs such as payroll taxes, may not be excluded from receipts. Typically, annual receipts are averaged over a concern's latest three (3) completed fiscal years to determine its average annual receipts.

However, to the extent a public entity considers a five-year average in its certification program, OCII will accept the five-year average provided the remaining certification criteria of the public entity is consistent with OCII's criteria stipulated in this Policy. If a concern has not been in business for three (3) years, the average weekly revenue for the number of weeks the concern has been in business is multiplied by 52 to determine its average annual receipts.

“Association” (as the term is used in the SBE Program) means an agreement between two parties established for the purpose of completing a specific task or project. The associate agreement shall provide the SBE associate a significant project management role and the SBE associate shall be recognized in marketing and collateral material. The Association shall be distinguished from traditional subcontracting arrangements via a written Association agreement that defines the management of the agreement, technical and managerial responsibilities of the parties, and defined scopes and percentages of work to be performed by each party with its own resources and labor force. Unlike the more formal Joint Venture, an Association does not require formation of a new business enterprise between the parties. The Associate agreement shall contain, at a minimum, provisions required by Section IV.E below and be subject to OCII approval.

“Commercially Useful Function” means that the business is directly responsible for providing the materials, equipment, supplies or services in the City and County of San Francisco (“City”) as required by the solicitation or request for quotes, bids or proposals. Businesses that engage in the business of providing brokerage, referral or temporary employment services shall not be deemed to perform a “commercially useful function” unless the brokerage, referral or temporary employment services are required and sought by the Agency.

“Joint Venture” (as the term is used in the SBE Program) means an entity established between two parties for the purposes of completing a venture or project. The Joint Venture agreement typically creates a separate business entity and requires acquisition of additional insurance for the newly created joint business entity. The Joint Venture agreement shall contain, at a minimum, provisions required by OCII, as Section IV.E below and be subject to OCII approval.

“Office” or **“Offices”** means a fixed and established place(s) where work is performed of a clerical, administrative, professional or production nature directly pertinent to the business being certified. A temporary location or movable property or one that was established to oversee a project such as a construction project office does not qualify as an “office” under this SBE Policy. Work space provided in exchange for services (in lieu of monetary rent) does not constitute an “office.” The office is not required to be the headquarters for the business but it must be capable of providing all the services to operate the business for which SBE certification is sought. An arrangement for the right to use office space on an “as needed” basis where there is no office exclusively reserved for the business does not qualify as an office. The prospective SBE must submit a rental agreement for the office space, rent receipt or cancelled checks for rent payments. If the office space is owned by the prospective

SBE, the business must submit property tax or a deed documenting ownership of the office.

“Person” means one or more individuals, partnerships, associations, organizations, corporations, and cooperatives.

“Project Area Small Business Enterprise” means a business that meets the above-definition of Small Business Enterprise and that: (a) has fixed offices located within the geographical boundaries of a Redevelopment Project or Survey Area where a commercially useful function is performed; (b) is listed in the Permits and License Tax Paid File with a Project Area or Survey Area business street address; (c) possesses a current Business Tax Registration Certificate at the time of the application for certification as a SBE; (d) has been located and doing business in a Project Area or Survey Area for at least six months preceding its application for certification as a SBE; and (e) has a Project Area or Survey Area office in which business is transacted that is appropriately equipped for the type of business for which the enterprise seeks certification as a SBE. Post office box numbers of residential addresses alone shall not suffice to establish a firms’ location in a Project Area or Survey Area.

“Project Area” means an area of San Francisco that meets the requirements under Community Redevelopment Law, Health and Safety Code Section 33320.1. These areas currently include the Bayview Industrial Triangle, Bayview Hunters Point (Area B), Hunters Point Shipyard, Mission Bay (North), Mission Bay (South), Rincon Point/South Beach, South of Market, and Transbay.

“San Francisco-based Small Business Enterprise” means a business that meets the above-definition of Small Business Enterprise and that: (a) has fixed offices located within the geographical boundaries of the City; (b) is listed in the Permits and License Tax Paid File with a San Francisco business street address; (c) possesses a current Business Tax Registration Certificate at the time of the application for certification as a SBE; (d) has been located and doing business in the City for at least six months preceding its application for certification as a SBE; and (e) has a San Francisco office in which business is transacted that is appropriately equipped for the type of business for which the enterprise seeks certification as a SBE. Post office box numbers or residential addresses alone shall not suffice to establish a firm's status as local.

“Specialty Construction Contractor” means a contractor licensed by the Contractors State License Board under the “C” classification license pursuant to California Business and Professions Code Section 7058.

“Survey Area” means an area of San Francisco that meets the requirements of the Community Redevelopment Law, Health and Safety Code Section 33310. These areas currently include Bayview Hunters Point Redevelopment Survey Area C.

IV. SMALL BUSINESS ENTERPRISES CONTRACTING GOAL

- A. In order to meet the mission of the Agency and promote economic development in Project Areas, the Agency intends to establish targets for SBE participation in Agency and Agency-Assisted Contracts. It also intends to provide Project Area Small Businesses with First Consideration to contracting opportunities with the Agency or through the prime contractors for Agency-Assisted Contracts.
- B. The Agency's overall SBE participation goals (for prime contracts) shall be set at 50%. This means that the Agency or Agency-Assisted Contractor shall use its best efforts to award at least 50% of all Agency-Assisted Contracts covered by this policy to SBEs. The ability of the Agency or Agency-Assisted Contractor to meet this goal will depend, in part, on 1) the availability of qualified SBEs capable of providing the goods or services required by the contract; and 2) the availability of SBEs who provide price quotes that are reasonable and do not exceed competitive levels beyond amounts that can be attributed to the increased costs faced by small local businesses. Accordingly, the Agency may, at its discretion, change the participation goals, on a contract-by-contract basis, in its own contracts or in Agency-Assisted Contracts.
- C. **Agency SBE Prime Contract Participation Goals are:**
- | | |
|-----------------------|-----|
| CONSTRUCTION | 50% |
| PROFESSIONAL SERVICES | 50% |
| SUPPLIERS | 50% |
- D. **First Consideration:** will be given by the Agency or Agency-Assisted Contractor in awarding contracts in the following order: 1) Project Area SBEs, 2) San Francisco-based SBEs (outside an Agency Project or Survey Area), and 3) All other SBEs. Non San Francisco-based SBEs should be used to satisfy participation goals only if Project Area SBEs or San Francisco-based SBEs are not available, qualified, or if their bids or fees are significantly higher than those of non San Francisco-based SBEs.
- E. **Associations and Joint Ventures (JV):** OCII will recognize JVs and Associations between non-SBE firms and SBE firms where the SBE partner performs at least 35% of the work defined in the JV or Association agreement, and receives at least 35% (or a proportionate share, whichever is higher) of the dollars to be earned by the JV or Association. Under this arrangement, OCII will deem the JV or Association to be an SBE for the purposes of meeting the SBE goal. Due to the technical nature of the disciplines and the various standards of each industry, OCII will not require a standardized agreement. However, each JV and Association agreement must be in writing and contain, at a minimum, the following terms:
- Define the management of the agreement between the parties;
 - Define the technical and managerial responsibilities of each party;

- Define the scope of work to be performed by each party, and where possible identify the percentage and break-down of scope of work for each party;
- Identify any additional subcontractors or consultants that will perform the work under the agreement;
- Define the schedule, duration, and deliverable of the agreement;
- Detail the fee schedule, fee breakdown, or division of compensation;
- Specify insurance requirements and/or if each party shall maintain its own insurance;
- Specify how additional work or changes in scope shall be negotiated or determined and which party shall be responsible for notifying OCII of the changes;
- Specify how claims and disputes will be resolved.

A copy of the JV or Association agreement must be provided to OCII for approval in order for the JV or Association to be recognized.

F. **Certification**: Only firms certified as SBEs will be counted toward meeting the participation goals described above. The SBE firm must be certified by OCII or another governmental entity pursuant to the SBE Certification Criteria set forth in Exhibit I.

G. **Good Faith Efforts - Agency**: The goals established in Article IV.C above of this SBE Policy are targets the Agency or Agency-Assisted Contractor will make a good faith effort to achieve for prime contracts. Accordingly, good faith efforts must be taken to assure that these firms are utilized when possible as sources of supplies, equipment, construction, and services. Good faith efforts shall include the following:

1. **Contract Size**. Where appropriate, the Agency or Agency-Assisted Contractor will divide the work in order to encourage maximum SBE participation or, alternatively, SBEs will be encouraged to joint venture. Each responsible staff person, developer or prime contractor/consultant shall identify specific items of each contract that may be performed by subcontractors and, if necessary, provide a list of prospective SBEs for the bidder(s).
2. **Advertise**. For contracts procured using the Competitive Sealed Bids-Public Contract Code Procedure or the RFP/RFQ Procedure, unless there are special circumstances, the Agency or Agency-Assisted Contractor will advertise for 30 days prior to the opening of bids or proposals in media focused on small businesses including the Bid and Contract Opportunities website through the City's Purchasing Department and the Procurement Opportunities section of local publications.
3. **Prepare List of SBEs**. Each responsible staff person, developer or prime contractor/consultant shall request the Contract Compliance Office to assemble a list of all known SBEs in the pertinent field(s). This list will be

made available to the public upon request. Compliance Staff will consult with other redevelopment agencies and government agencies to identify small businesses, particularly those in Project and Survey Areas, that have expertise in areas used by the Agency; the Contract Compliance Office will continue its present practice of regularly updating a variety of lists.

4. Public Solicitation. The Agency or Agency-Assisted Contractor will mail Requests for Qualifications (RFQs) or Requests for Proposals (RFPs) to SBEs. It will follow up initial solicitations of interest by contacting SBEs to determine with certainty whether they are interested in performing specific items in a project. The Agency will also make contacts with SBE contractor associations or development centers, or any agencies that disseminate bid and contract information and provide technical assistance to SBEs.
5. Convene Pre-Bid or Pre-Solicitation Meetings. On consulting contracts that are \$5,000 or more and construction contracts estimated to cost \$5,000 or more, procured using the Competitive Sealed Bids or Public Contract Code Procedure or the RFP/RFQ Procedure, the Agency or Agency-Assisted Contractor will send written invitations to potential SBE candidates to attend pre-bid or pre-solicitation meetings for the purpose of answering questions about the process and the specifications and requirements. Representatives of the Contract Compliance Office will also participate.
6. Outreach and Other Assistance. The Agency or Agency-Assisted Contractor will a) provide SBEs with plans, specifications and requirements for all or part of the project; b) make contacts with SBE contractor associations or development centers, or any agencies that disseminate bid and contract information and provide technical assistance to SBEs; and c) follow up initial solicitations of interest by contacting SBE firms to determine with certainty whether they are interested in performing specific items in a project.
7. Insurance and Bonding. Where lines of credit, insurance and bonding are potential problems for small businesses, the Agency or Agency-Assisted contractor should contact staff to explain the Agency's insurance and bonding requirements, answer questions about them, and be prepared to suggest avenues of assistance.
8. Focused Meetings. The Agency or Agency-Assisted contractor shall participate in meetings convened by staff for SBEs focusing on opportunities for particular industries, e.g., a joint meeting of housing sponsors and small architectural firms based in a Project Area.
9. Monitoring. The Agency or Agency-Assisted Contractor will keep track of the date that each response, proposal or bid was received from SBEs, including the amount bid by and the amount to be paid (if different) to

the non-SBE contractor that was selected. If the responsible staff person or bidder/proposer asserts that there were reasons other than the respective amounts bid for not awarding the contract to or selecting an SBE, he or she must be prepared to provide valid reasons(s) for any rejections.

V. SUBCONTRACTING - BY PRIME CONTRACTORS

- A. **Subcontracting Goal** The Agency intends to establish a subcontracting participation goal for SBEs at 50%, but recognizes that this goal may vary depending on the extent of subcontracting opportunities presented by the contract and the availability of SBE subcontractors capable of providing goods or services required by the contract. Accordingly, the Agency, at its discretion, may change the participation goals on a contract-by-contract basis.
- B. **First Consideration** will be given in the following order: 1) Project Area SBEs, 2) San Francisco-based SBEs (outside an Agency Project or Survey Area), and 3) All other SBEs.
- C. **Good Faith Efforts - Subcontracting**. The Agency will continue its efforts to maximize the involvement of SBE subcontractors by having each responsible staff person:
1. Request the Contract Compliance Office to assemble for the prime, a list of all known SBEs, particularly those in Project or Survey Areas, in the pertinent field(s). This list will be made available to the public upon request.
 2. Identify specific items of each contract that may be performed by subcontractors and, if necessary, provide a list of prospective SBEs for the bidder(s).
 3. Send notices to appropriate organizations of the opportunities of SBEs to obtain subcontracts with the Agency.
 4. Advise SBEs of its insurance requirements and offer SBEs advice on meeting the requirements.
- D. **Contract Provision Requiring Good Faith Efforts**. Agency staff shall include in prime contracts provisions that require prospective contractors that will be utilizing subcontractors to make the following good faith efforts to subcontract to SBEs:
1. Consult with the Agency and other agencies, including government agencies to identify small businesses that have expertise in areas needed by the Agency.

2. Document efforts undertaken to encourage subbidder(s) to obtain SBE participation at a lower tier including identifying specific items of the contract that may be performed by SBE subcontractors and prospective SBEs to perform such items.
 3. Make contacts with SBEs, associations or development centers, or any agencies, which disseminate bid and contract information to SBEs. Follow up initial solicitations of interest by contacting small business enterprises to determine with certainty whether they are interested in performing specific items in a project. This provision includes making direct written solicitation with a complete scope of work to all Agency certified SBEs that provide any subcontract portion of the proposed work.
 4. Keep track of the date that each response, proposal or bid was received from SBEs, including the amount bid by and the amount to be paid (if different) to the non-SBE contractor that was selected. If the bidder/proposer asserts that there were reasons other than the respective amounts bid for not awarding the contract to or selecting an SBE, he or she must be prepared to provide valid reasons(s) for any rejections.
 5. Assist SBEs relative to obtaining and explaining plans, specifications and contract requirements.
 6. Assist SBEs with respect to bonding, lines of credit, etc.
 7. Extend negotiation efforts to SBEs or be prepared to explain the reasons for not negotiating with SBEs.
 8. Prepare a report which shows for each private project and each public project (without an SBE Program) undertaken by the consultant in the preceding 12 months, the total dollar amount of the contract and the percentage of the contract dollars that were awarded to SBEs.
 9. Document any other efforts undertaken to encourage participation by SBE.
- E. **Technical Assistance.** As appropriate, Agency staff shall suggest various sources of assistance to SBEs such as U.S. Small Business Administration ("**SBA**"), U.S. Minority Business Development Agency, San Francisco Renaissance, SCORE (Service Corps of Retired Executives), Urban Solutions, as well as other local community based economic development organizations.
- F. **Aid to Unsuccessful Bidders.** As an aid to unsuccessful bidders the Agency will make available upon reasonable request the following information within a reasonable time (usually within 30 days) after the selection of a contractor/consultant:

For construction contractors:

1. A summary of unit prices taken from the bid documents.
2. A list of subcontractors, nature of work, and bid dollar amount from the bid documents.

For professional consultants:

1. All submissions received in response to RFQs or RFPs and, upon request, an explanation of the Agency's insurance and bonding requirements, and brochures that describe any bonding program in effect.

VI. CONSTRUCTION CONTRACTORS

A. Construction contracts and subcontracts awarded for \$5,000 or more shall contain a provision that requires contractors and subcontractors to comply with the Agency's Construction Work Force, Prevailing Wage Provision/Labor Standards, and Small Business Enterprise Program.

B. **Compliance with Prompt Payment Statute:**

1. Construction contracts and subcontracts awarded for \$5,000 or more shall contain the following provision:
 - i) "Amounts for work performed by a subcontractor shall be paid within seven (7) days of receipt of funds by the contractor, in accordance with California Business and Professions Code Section 7108.5 et seq. Failure to include this provision in a subcontractor or failure to comply with this provision shall constitute an event of default which would permit the Agency to exercise any and all remedies available to it under contract, at law or in equity."
2. In addition to and not in contradiction to the Prompt Payment Statute (California Business and Professions Code Section 7108.5 et seq.), if a dispute arises which would allow a Contractor to withhold payment to a subcontractor due to a dispute, the Contractor shall only withhold that amount which directly relates to the dispute and shall promptly pay the remaining undisputed amount, if any.

VII. SUBMISSION OF ELECTRONIC CERTIFIED PAYROLLS

A. For any contract which requires the submission of certified payroll reports, each Contractor (which herein includes subcontractors regardless of tier) shall comply with the Agency's Construction Work Force and Prevailing Wage Provision/Labor Standards reporting requirements. Contractors are advised that the Agency will not be liable for interest, charges or costs arising out of or relating to any delay in making progress payments due to Contractor's failure to make a timely and accurate submittal of weekly certified payrolls.

- B. In addition to the above, Contractor shall comply with the requirements of California Labor Code Section 1776, or as amended from time to time, regarding the keeping, filing and furnishing of certified copies of payroll records of wages paid to its employees and to the employees of its Subcontractors of all tiers.
- C. The Contractor shall make the payroll records available to for inspection at all reasonable hours at the job site office of Contractor.
- D. Contractor is solely responsible for compliance with Labor Code Section 1776 or this SBE Policy. The Agency shall not be liable for Contractor's failure to make timely or accurate submittals of certified payrolls.

VIII. AUTHORIZATION

- A. When staff seeks contract authorization staff shall document and report to the Executive Director and/or the Commission:
 - 1. Whether the Contract Compliance Office provided a list of potential SBEs to be invited for the scope of work being considered.
 - 2. Where appropriate, how the potential work was divided into small contracts to ensure that the scope of work was not too large for an SBE to bid or submit a proposal or how potential SBEs were encouraged to joint venture.
 - 3. That specific items of the contract that may be performed by SBE subcontractors were identified and prospective SBEs were identified for the bidder(s).
 - 4. On consulting service contracts that are \$5,000 or more and construction contracts estimated to cost \$5,000 or more, that prospective SBEs were invited to a pre-bid and/or pre-solicitation meeting for the purpose of answering questions about the process, the bonding and insurance requirements, the specifications and other requirements.
 - 5. All outreach efforts including advertisements or notifications to trade associations or other groups that were made as part of attempts to reach potential SBE candidates.

IX. APPEALS

Any bidder or proposer wishing to appeal a staff recommendation for awarding a contract will be notified of the proposed action and will have an opportunity to be heard by the full Commission when the item comes up on the Agenda.

X. WAIVER

Any of the SBE requirements may be waived if the Agency determines that a specific requirement is not relevant to the particular situation at issue, that SBEs were not available, or that SBEs were charging an unreasonable price. All waivers involving Agency contracts shall be reported to the Commission.

XI. SEVERABILITY

The provisions of this SBE Policy are declared to be separate and severable. The invalidity or unenforceability of one or more provisions of this SBE Policy shall in no way affect the validity of the remainder.

EXHIBIT I

SBE CERTIFICATION CRITERIA

- A. The Agency will consider the certifications or denials of the Contract Monitoring Division (CMD) of the City and County of San Francisco and will accept those certifications or denials from CMD and other governmental entities that are consistent with the standards of the Agency.
- B. The Agency shall make efforts to enter into reciprocal agreements with other agencies that have similar certification standards and policies.
- C. In order to be certified as an SBE the business must meet all of the requirements contained in the SBE Policy, as applicable, and in this SBE Certification Criteria.
- D. In order for a joint venture or association to be recognized as an SBE, the joint venture or association must be organized pursuant to the Agency's SBE Policy and be approved by the Agency.
- E. The Agency will not recognize a subcontractor as an SBE if it sub-contracts more than 50 percent of its subcontract amount to non-SBEs.
- F. A contractor may substitute the amount of a purchase order to a SBE supplier for up to 15 percent of the SBE subcontractor goals. In order to be recognized, a supplier must perform a commercially useful function in the supply process. However, if the supplier is acting as a mere conduit such as a manufacturer's representative or broker then only the amount of the commission or three percent (3%), whichever is greater, will be credited towards meeting the SBE goals. If none of the work is to be subcontracted, SBE suppliers may be utilized without limitation.
- G. If a firm contends that it is an SBE, the Agency may request the owner to submit to the Agency an Application for Certification (Small Business Enterprise Affidavit) under penalty of perjury that swearing to the truth and accuracy of all statements made and material submitted to the Agency, including additional information. If certified by the HRC, a copy of a current HRC certification shall be submitted.
- H. An eligible SBE shall be an independent business. In determining whether a business is independent, the Agency shall examine the adequacy of the business's resources for the scope of work under a proposed contract, its financial independence, the extent of its equipment leasing, and its relationships with non-SBEs. Relationships with non-SBE firms will be scrutinized as to whether the SBE firm:
 - 1. Is known in the industry or trade to be operated by a non-SBE;
 - 2. Is operated in tandem with a non-SBE;

3. Has multiple licenses, some of which are affiliated with non-SBEs;
 4. Itself owns the equipment or trucks that are to be used on the job;
 5. Is listed in the telephone book, preferably in the Yellow Pages under the class for which it is seeking Agency recognition;
 6. Subcontracts back to, leases from, or is back-contracted or joint venturer(s) in an amount unrelated to shared risks and profits. Back contracting includes any agreement or other arrangement between a prime contractor and its subcontractor where the prime contractor performs or secures the performance of the subcontract in such a fashion and/or under such terms and conditions that the prime contractor enjoys the financial benefit of the subcontract. Said agreement or other arrangement includes, but is not limited to, situations where either a contractor or subcontractor agrees that any term, condition or obligation imposed upon the subcontractor by the subcontract shall be performed by or be the responsibility of the prime contractor.
 7. Maintains a permanent office separate from that of its sources of vehicles, subcontractors, the general contractor or from any joint venturer(s); and
 8. In the case of a supplier, carries the material being supplied as a regular part of its inventory.
- I. A SBE firm shall not have any formal or informal restrictions which limit the customary discretion of the owner. The owner should have the authority to perform all of the below functions:
1. Manage either the marketing or production aspects of the business;
 2. Be authorized to sign on all bank accounts, to draw against letters of credit, and to secure surety bonds and insurance; and
 3. Control the profit sharing, pensions or stock option plans.
- J. In order to be considered a Project Area SBE, the business must meet the definition of Project Area Small Business Enterprise in Article III, Definitions.
- K. In order to be considered a San Francisco-based SBE, the business must meet the definition of San Francisco-based SBE in Article III, Definitions.
- L. License Qualification Essential: If state or local law requires a person to have a particular license or other credential in order to own and/or control a certain type of firm, then the person(s) who owns and controls an SBE applicant firm of that type must possess the required license or credential. An owner of an SBE applicant firm who is employed by a non-SBE in a similar line of business of the

applicant firm and who is used to qualify a professional business as an SBE does not meet the Agency's SBE requirements of having management and control of the business. Likewise, an owner of an SBE applicant firm who is employed by a non-SBE construction firm and who is used to qualify a construction business as an SBE cannot meet the Agency's SBE requirements of having management and control of the business. An owner who is certified by the Agency for one profession, e.g., electrical engineering, cannot attribute that certification to another profession, e.g., mechanical engineering, unless he or she is registered for more than one professional license. By extension a certified SBE plumbing business must also be certified to perform electrical work to be an eligible SBE electrical contractor. For businesses that do not require a license, the managing owner must have training, education and work experience in that type of business.

- M. A business requesting to be acknowledged as an SBE shall supply the Agency with all such additional information as the Agency may deem relevant in order to make a determination of such status. If such information is not supplied within 45 days of it being requested, the Agency may consider the Application for certification withdrawn.
- N. A change in ownership of a firm will be carefully scrutinized. The following factors shall be considered:
 - 1. The reason of the timing of the change in ownership of the business relative to the time that bids are opened or proposals are considered;
 - 2. Whether the interest of a non-disadvantaged firm conflicts with the ownership and control requirements of this SBE Policy.
 - 3. Whether an employee-owner who had previous or continuing employee-employer relationship between or among present owners has management responsibilities and capabilities.
- O. Grandfather clause: Firms that were certified as Disadvantaged Minority-owned Business Enterprises (MBE) and Woman-owned Business Enterprises (WBE) in 2004 were automatically deemed certified as SBEs on the effective date of this policy so long as they continue to meet the economic and other standards for SBEs described in this SBE Policy.
- P. In its sole and absolute discretion, the Agency, in interpreting the provisions of this SBE Policy, may rely on the provisions, rules, standards, and other guidance under the Local Business Enterprise Program of the City and County of San Francisco, S.F. Administrative Code Chapter 14B, to the extent that those provisions, rules, standards, and guidance are consistent with this SBE Policy.
- Q. The SBE Agreement executed by the developer and/or contractor is the implementation document for the SBE Policy.