



Office of Community Investment & Infrastructure (OCII) January-June 2016 Status Report on Small Business Enterprise & Workforce Programs

Presentation Overview

- SBE Performance
- Workforce Performance

July 19, 2016

OCII Small Business Enterprise (SBE) Program

SBE Program Objectives and Benefits:

- SBE Policy: overall SBE participation goals of 50%
- Good faith efforts to ensure SBEs have an opportunity to compete for and participate in Agency-assisted contracts
- First Consideration to Project Area SBEs followed by San Francisco- based SBEs

OCII Small Business Enterprise (SBE) Program

SBE Definition:

- Ownership and control
- License
- Size determined by 3-year average annual gross receipts:

Industry	OCII SBE Size Standard
Construction Contractors	\$20,000,000
Specialty Construction Contractors	\$14,000,000
Suppliers (goods/materials/ equipment and general services)	\$10,000,000
Professional Services	\$2,500,000
Trucking	\$3,500,000

OCII SBE Performance

Six Months Activity

Summary of Contracts Awarded January – June 2016

Project Type	# of Projects	Total	SBE Credit \$	SBE Credit %	SBE Participation \$	SBE %
Infrastructure (construction)	3	\$14,498,725	\$8,143,871	56.2%	\$8,143,871	56.2%
Market Rate/Inclusionary Housing (construction and design/professional services)	2	\$51,029,060	\$6,306,193	12.4%	\$6,306,193	12.4%
Standalone Affordable Housing - OCII funded (construction and design/professional services)	5	\$128,796,914	\$68,151,383	52.9%	\$55,016,524	42.7%
Commercial and Mixed-Use Development (design/professional services)	1	\$16,831,868	\$11,281,612	67.0%	\$5,319,971	31.6%
TOTAL	11	\$211,156,567	\$93,883,059	44.5%	\$74,786,559	35.4%

OCII SBE Performance

Six Months Activity
(January – June 2016)

Summary by Work Type

<i>Summary</i>	Total Dollars (in Millions)	SBE Dollars (in Millions)	% of Total
Professional Services	\$44.0	\$28.6	65.1%
Construction and Supplies	\$167.2	\$65.3	39.0%
Total	\$211.2	\$93.9	44.5%

*Construction and Supplies category continues to aggregate all construction activities because bid information from construction subcontractors are on a lump sum basis and do not separately disaggregate supply costs.

Consistent with federal reporting practices, OCII credits a small business subcontractor with the full value of its contract towards the SBE goal unless performance of work is subcontracted to another firm.

OCII SBE Performance

Six Months Activity (January – June 2016)

SBE Profile for Professional Services Contracts during January - June 2016

	SBE\$	Distribution (% of Total)	No. of Firms	Distribution (% No. of Firms)	SBE Availability*	% of Total
Asian/Pacific American	1,893,287	6.6%	19	19.6%	84	18.1%
Black/African American	2,357,095	8.2%	4	4.1%	21	4.5%
Latino	4,387,188	15.3%	9	9.3%	37	8.0%
Other	1,584,589	5.5%	7	7.2%	39	8.4%
Subcontinent Asian	100,000	0.3%	1	1.0%	5	1.1%
Non-Minority Female	2,245,894	7.8%	12	12.4%	108	23.3%
Non-Minority Male	16,062,124	56.1%	45	46.4%	170	36.6%
TOTAL	28,630,177	100.0%	97	100.0%	464	100.0%

**SBE Availability figure is derived from bid data and the City and County of San Francisco LBE database for professional services firm, including architectural, engineering and other services*

OCII SBE Performance

Six Months Activity (January – June 2016)

SBE Profile for Construction Contracts during January - June 2016

	SBE\$	Distribution (% of Total)	No. of Firms	Distribution (% No. of Firms)	SBE Availability*	% of Total
Asian/Pacific American	5,235,287	8.0%	12	11.3%	69	21.8%
Black/African American	15,992,489	24.5%	11	10.4%	37	11.7%
Latino	2,742,833	4.2%	4	3.8%	35	11.1%
Other	339,121	0.5%	3	2.8%	7	2.2%
Subcontinent Asian	-	0.0%	-	0.0%	3	0.9%
Non-Minority Female	5,884,263	9.0%	9	8.5%	30	9.5%
Non-Minority Male	35,058,889	53.7%	67	63.2%	135	42.7%
TOTAL	65,252,882	100.0%	106	100.0%	316	100.0%

**SBE Availability figure is derived from bid data and the City and County of San Francisco LBE database for construction*

OCII SBE Performance

Six Months Activity

(January – June 2016)

Multiple Contract Awards

- 42 firms received multiple contracts (\$40 million)
 - Multiple awards = 19% of all awards
 - 58% of multiple awards went to SBEs (by dollars)
 - 25% of multiple awards went to San Francisco-based SBEs (by dollars)
 - 90% of awards of 3+ contracts went to SBEs, of which 81% went to San Francisco-based SBEs
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- Top 20 Largest Contracts (\$130 million) = 62% of all Contracts
 - 4 instances of multiple awards (no more than 2 awards per vendor)
 - 2 of those instances (62% of dollars) went to SBEs

OCII SBE Performance

Six Months Activity

(January – June 2016)

Joint Ventures and Associations

- SBE Policy amendment in 2015 to clarify Joint Venture and Association requirements
- 10 Joint Ventures and Associations awarded contracts (\$23 million)
 - 4 Black/African American-owned businesses
 - 3 Latino-owned businesses
 - 1 Asian-Pacific American-owned business
 - 1 Other
 - 1 Non-minority-owned business
- 4 at the prime level

OCII SBE Performance

Overall Summary

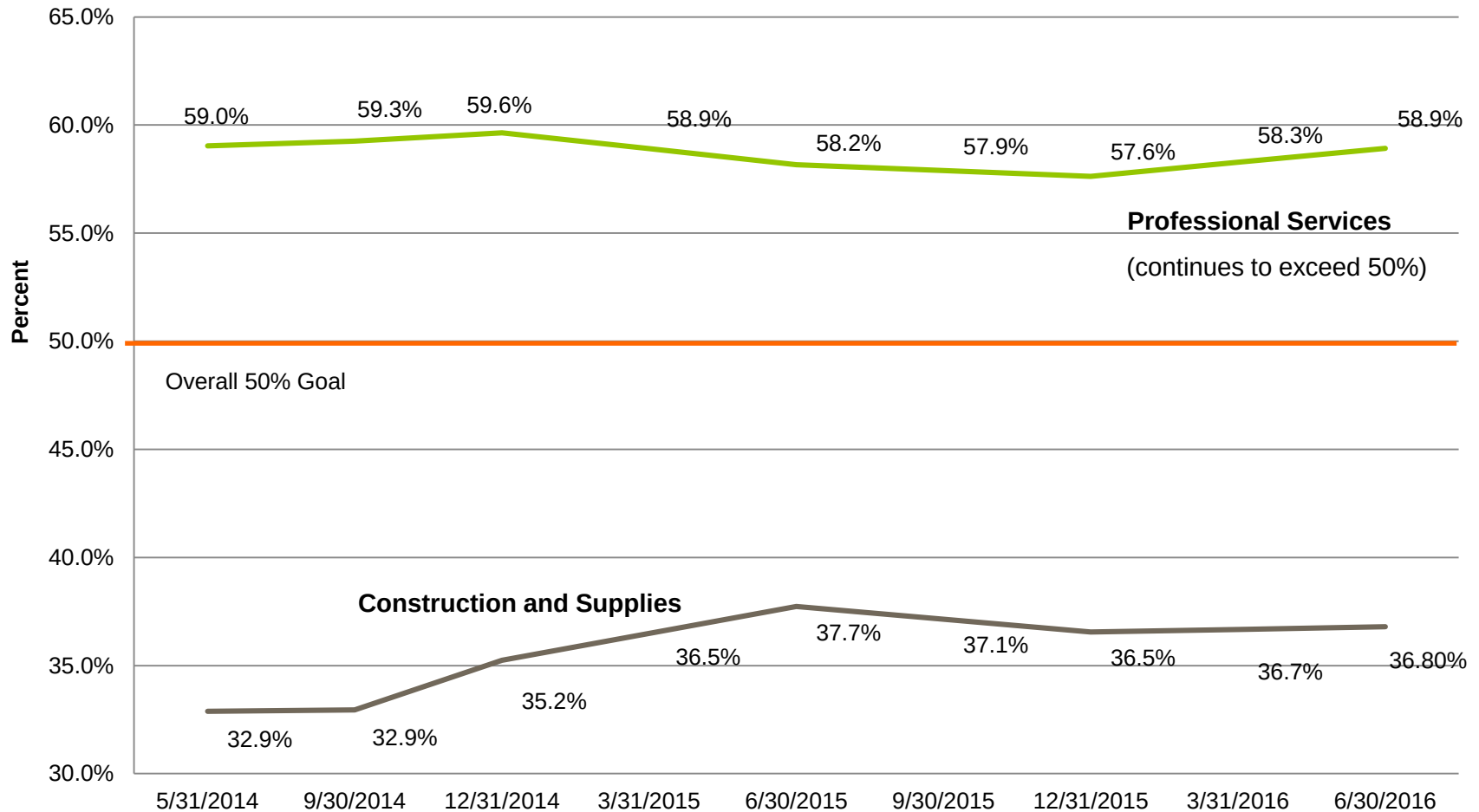
(All Projects as of June 30, 2016)

<i>Summary</i>	SBE Dollars Credited Towards Goal (in Millions)	Total Dollars (in Millions)	% of Total	Change from Prior Report
Professional Services	\$134.0	\$228.4	58.7%	+1.5%
Construction and Supplies	\$550.3	\$1,494.4	36.8%	+0.3%
Total	\$684.4	\$1,722.8	39.7%	+0.7%

Figures represent total dollars for all active projects

OCII SBE Performance

Overall Summary SBE Percentage of Total Dollars



Awards and Commitments versus Actual Payments

Project	Awards and Commitments			Actual Payments	
	Total	SBE \$	SBE %	SBE \$	SBE %
Carroll Avenue Senior Housing (Dr. George W. Davis Senior Housing and Senior Center) <i>(Standalone Affordable Housing)</i>	39,270,478	16,922,462	43.1%	18,050,346	44.9%
HPSY Phase I: Block 49 - 350 Friedell Street <i>(Inclusionary Affordable Housing)</i>	20,213,835	11,632,579	57.5%	12,114,740	53.3%
MB Block 12E – ARDEN <i>(Market Rate Housing)</i>	103,920,593	23,206,015	22.3%	25,536,937	18.5%

- Collection of payment information on completed contracts.
- Collection of payments on affordable housing projects with monthly pay applications
- Barriers remain and efforts continuing on collection of monthly payment information on private developments

Outreach

- Direct Notifications to SBEs/LBEs/MBEs/WBEs
- Advertisements in general and SBE-focused media
- Postings on OCII and the City's Office of Contract Administration (OCA) websites
- Accompanied 22 pre-bid or pre-proposal meetings
- On-going meetings and dialogue:
 - Pastor Arelious Walker and Bayview subcontractors
 - National Association of Minority Contractors
 - Women Construction Owners and Executives
 - Minority Business Development Agency Business Centers
 - Shipyard Capital Assistance Program
 - Supplier Meet and Greet
 - Access to Finance
 - Construction Industry Workforce Initiative
 - Hunters Point Shipyard Citizens Advisory Committee
 - Turner School of Construction Management
 - Clark Construction Strategic Partnership Program
 - Women in Construction Expo

Workforce Program

Office of Community Investment and Infrastructure (OCII)

- Good faith effort to employ San Francisco residents to perform 50% of total work hours
 - Contract-by-contract basis
- First Consideration given to residents of Project Areas
- The three current major Project Areas are Hunters Point Shipyard-Candlestick Point, Mission Bay, and Transbay
- OEWD administers workforce program: referral of SF residents and day-to-day compliance

OCII Workforce Performance

Local Resident Work Hours during January – June 2016

Local	Total	Local %
286,960	1,151,690	24.9%

<i>Construction Workforce January-June 2016</i>	Bayview Hunters Point *	Shipyard/ Candlestick Point **	Mission Bay	Transbay	Other***
Local Hours	40,201	135,377	67,707	38,613	5,062
TOTAL Hours	144,164	377,547	345,663	215,487	68,829
Local %	27.9%	35.9%	19.6%	17.9%	7.4%

*OCII-sponsored Carroll Avenue Senior Housing and Hunters View Phase 2

**All projects in the geographic areas of Hunters Point Shipyard (HPS) Phase 1 and HPS/Candlestick Point Phase 2 DDAs

***Includes 72 Townsend (Rincon Point South Beach), 1450 Franklin (Western Addition), and 680 Folsom (Yerba Buena Center)

Figures represent total hours worked on all projects during January – June 2016 in each respective area.

OCII Workforce Performance

Local Resident Work Hours January – June 2016

Construction Hours by Ethnicity and Residency

January 1, 2016 - June 30, 2016

Ethnicity	All Hours	% of Total All Hours	SF Hours	% of Total SF Hours	BVHP Hours	% of Total BVHP Hours
African Americans	133,359	12%	80,578	28.1%	67,559	51.5%
Caucasian	278,809	24%	40,519	14.1%	6,955	6.6%
Latino	558,655	49%	88,109	34.3%	33,537	25.7%
Native American	5,182	0%	859	0.3%	612	0.5%
Asian Pacific American	42,034	4%	19,083	7.4%	5,150	6.6%
Other	132,898	12%	40,315	15.7%	21,850	9.1%
TOTAL	1,151,628	100%	286,959	100%	113,255	100.0%

Figures represent total hours worked on all projects during January – June 2016

OCII Workforce Performance

Status of Local Resident Work Hours for All Active Projects (as of June 30, 2016)

Local	Total	Local %	Change from Prior Report
1,591,281	6,017,167	26.4%	- 0.4%

<i>All Active Projects</i>	Bayview Hunters Point *	Shipyard/ Candlestick Point **	Mission Bay	Transbay	Other***
Local Hours	128,535	520,642	601,365	152,576	188,163
TOTAL Hours	381,059	1,323,307	2,730,159	713,419	869,223
Local %	33.7%	39.3%	22.0%	21.4%	21.6%

*OCII-sponsored Carroll Avenue Senior Housing and Hunters View Phase 2

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Figures represent total hours worked on all active projects in each respective area.

Workforce Challenges

- Meeting workforce demands remains challenging
- High level of construction activities resulting in tremendous demand for local construction labor
- Limited pool of local resident construction workers on certain trades like ironworkers and roofers
- Strong economy providing options other than construction sector employment
- City facing similar challenges

“The San Francisco construction workforce is aging and it is anticipated that a large number of workers will retire in the next ten years. As of 2012 40% of the San Francisco construction workers were 45 years old or older; 13% were 55 or older.”¹

(L. Luster & Associates, 2013)

¹ Office of Economic and Workforce Development's Workforce Strategic Plan: 2013-2017

Workforce Challenges

Mitigating measures:

- Closely monitoring contractor performance
- Assisting contractors with referrals
- Monthly compliance meetings
- CityBuild working closely with Urban Strategies and other organizations for outreach and recruitment
- CityBuild conducting additional outreach and classes, including specialized training and “bridge” programs to address barriers to employment
- CityBuild working with industry and community partners to expand the program to build pipeline

Summary & Next Steps

- SBE participation: fluctuation is expected
- Continuing efforts to increase SBE participation in Construction
 - SBE capacity building
 - Encouraging Joint Ventures and Associations
 - Prime level
 - Encouraging supplier participation
 - SBE networking
- Continuing efforts to increase local construction workforce participation
- Educate and promote LBE certification, and on-going dialogue with Contract Monitoring Division (CMD)