



Office of Community Investment & Infrastructure (OCII)
Semi-Annual Status Report on
Small Business Enterprise &
Workforce Programs
(July-December 2016)

Presentation Overview

- SBE Performance
- Workforce Performance

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

- Conforms to City and County of San Francisco Micro and Small Local Business Enterprise (LBE) Program (limited exception for specialty construction contractors)

OCII SBE Performance

Six Months Activity

Summary of Contracts Awarded July – December 2016

Project Type	# of Projects	Total	SBE Credit \$	SBE Credit %	SBE Participation \$	SBE %
Infrastructure (construction and design/professional services)	4	\$20,541,388	\$18,609,567	90.6%	\$17,374,567	84.6%
Market Rate/Inclusionary Housing (construction)	2	\$482,221,598	\$119,881,962	24.9%	\$117,723,377	24.4%
Standalone Affordable Housing - OCII funded (construction and design/professional services)	2	\$68,889,752	\$35,391,652	51.4%	\$30,283,821	44.0%
Commercial and Mixed-Use Development (construction)	3	\$464,241,750	\$85,398,406	18.4%	\$56,961,007	12.3%
Miscellaneous (professional services)	1	\$997,907	\$997,907	100.0%	\$997,907	100.0%
TOTAL	12	\$1,036,892,395	\$260,279,493	25.1%	\$223,340,679	21.5%

OCII SBE Performance

Six Months Activity (July – December 2016)

Summary by Work Type (All Contracts)

<i>Summary</i>	Total Dollars (in Millions)	SBE Dollars (in Millions)	SBE % of Total
Professional Services	\$7.4	\$5.8	78.2%
Construction and Supplies	\$1,029.4	\$254.5	24.7% *
Total	\$1,036.8	\$260.3	25.1%

*SBE percentage for Construction and Supplies was impacted by the start of Type I construction projects, including Mission Bay Uber, Transbay Blocks 5 and 8, and 706 Mission Street. For example, structural concrete and curtain wall alone constituted on average more than 40% of total construction costs for these projects.

OCII SBE Performance

Comparison of Reporting Periods

Summary by Work Type

	July - December 2016			Jul - Dec 2016 without TYPE I Construction			January - June 2016		
Summary	Total Dollars (in Millions)	SBE Dollars (in Millions)	SBE % of Total	Total Dollars (in Millions)	SBE Dollars (in Millions)	SBE % of Total	Total Dollars (in Millions)	SBE Dollars (in Millions)	SBE % of Total
Professional Services	\$7.4	\$5.8	78.2%	\$7.4	\$5.8	78.2%	\$44.0	\$28.6	65.1%
Construction and Supplies	\$1,029.4	\$254.5	24.7%	\$83.0	\$49.2	59.3%	\$167.2	\$65.3	39.0%
Total	\$1,036.8	\$260.3	25.1%	\$90.4	\$55.0	60.8%	\$211.2	\$93.9	44.5%

Without impact of Type I construction, performance this past six months (60.8%) compares favorably to the prior six months (44.5%)

OCII SBE Performance

Six Months Activity (July – December 2016)

SBE Profile for Professional Services Contracts during July - December 2016

	SBE\$	Distribution (% of Total)	No. of Firms	Distribution % No. of Firms
Asian/Pacific American	2,078,180	35.7%	5	23.8%
Black/African American	997,907	17.1%	2	9.5%
Latino	375,000	6.4%	2	9.5%
Other	159,528	2.7%	1	4.8%
Subcontinent Asian	-	0.0%	-	0.0%
Non-Minority Female	1,531,565	26.3%	5	23.8%
Non-Minority Male	681,500	11.7%	6	28.6%
TOTAL	5,823,680	100.0%	21	100.0%

SBE Availability*	% of Total
84	18.1%
21	4.5%
37	8.0%
39	8.4%
5	1.1%
108	23.3%
170	36.6%
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 (July – December 2016)

SBE Profile for Construction Contracts during July - December 2016

	SBE\$	Distribution (% of Total)	No. of Firms	Distribution % No. of Firms
Asian/Pacific American	30,304,455	11.9%	17	9.2%
Black/African American	8,970,826	3.5%	3	1.6%
Latino	25,374,730	10.0%	8	4.3%
Other	2,815,798	1.1%	5	2.7%
Subcontinent Asian	-	0.0%	-	0.0%
Non-Minority Female	10,408,163	4.1%	16	8.7%
Non-Minority Male	176,581,841	69.4%	135	73.4%
TOTAL	254,455,813	100.0%	184	100.0%

SBE Availability*	% of Total
69	21.8%
37	11.7%
35	11.1%
7	2.2%
3	0.9%
30	9.5%
135	42.7%
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

(July - December 2016)

Joint Ventures and Associations

- SBE Policy amendment in 2015 to clarify Joint Venture and Association requirements and incentivize small business development
- 11 Joint Ventures and Associations awarded contracts (\$46 million)
 - 2 Black/African American-owned businesses
 - 2 Latino-owned businesses
 - 4 Asian-Pacific American-owned business
 - 3 Non-minority-owned business
- 2 at the prime level
- Positive impact on OCII affordable housing projects

OCII SBE Performance

Overall Summary

(All Projects as of December 31, 2016)

Summary for all active projects

Summary	SBE Dollars Credited Towards Goal (in Millions)	Total Dollars (in Millions)	% of Total	Change from Prior Report
Professional Services	\$139.9	\$235.9	59.3%	+0.6%
Construction and Supplies	\$804.8	\$2,523.9	31.9%	-4.9%
Total	\$944.7	\$2,759.7	34.2%	-5.5%

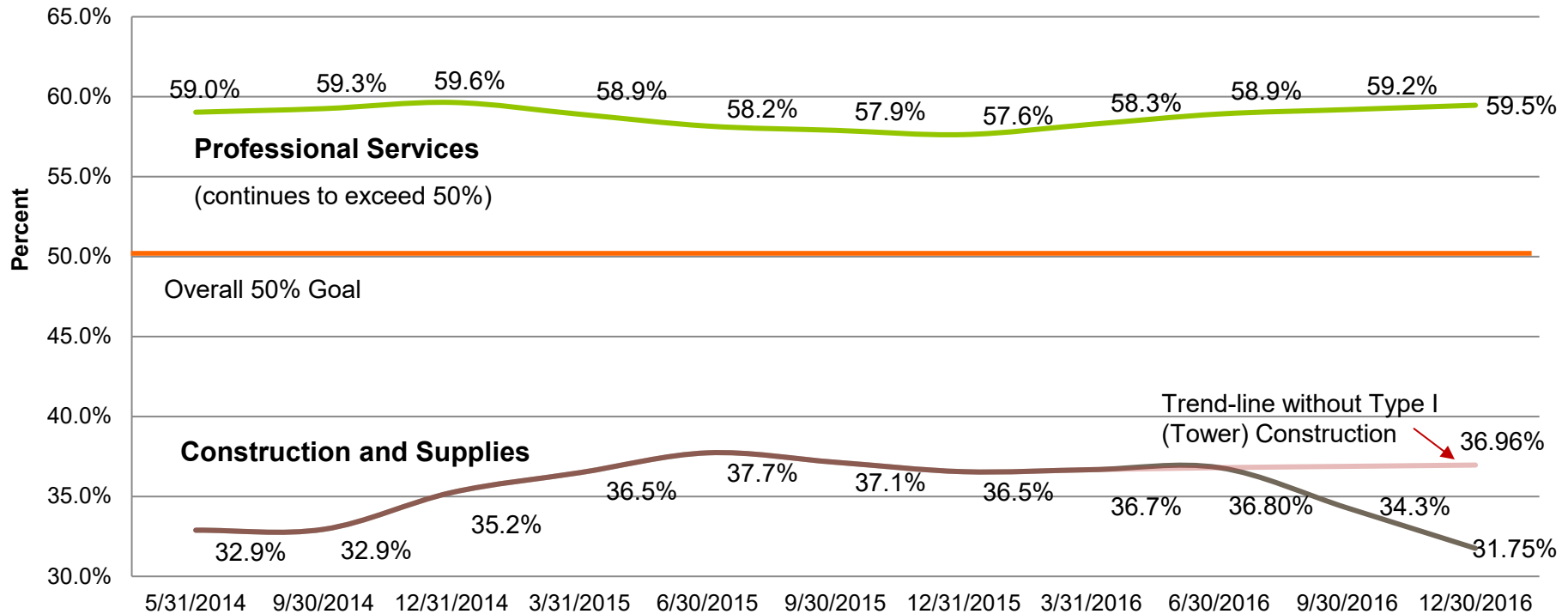
Summary without Type I Construction this period

Summary	SBE Dollars Credited Towards Goal (in Millions)	Total Dollars (in Millions)	% of Total	Change from Prior Report
Professional Services	\$139.9	\$235.9	59.3%	+0.6%
Construction and Supplies	\$599.5	\$1,577.4	38.0%	+1.2%
Total	\$739.4	\$1,813.3	40.8%	+1.1%

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 %
HPSY Phase I: Block 51	21,062,379	6,471,443	30.7%	9,650,456	37.8%
Transbay Block 6 (affordable)	17,410,290	8,119,385	46.6%	8,775,091	47.7%

- Collection of payment information on completed contracts.

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
- 16 pre-bid or pre-proposal meetings; numerous developer and contractor meetings
- CMD Certification referrals
- On-going meetings and dialogue:
 - National Association of Minority Contractors
 - Women Construction Owners and Executives
 - Minority Business Development Agency Business Centers
 - Shipyard Capital Assistance Program
 - Supplier Meet and Greet
 - Hunters Point Shipyard Citizens Advisory Committee
 - Turner School of Construction Management
 - Clark Construction Business Management and 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

Status of Local Resident Work Hours for All Active Projects (as of December 31, 2016)

Local	Total	Local %	Change from Prior Report
933,506	3,695,720	25.3%	-1.2%

<i>All Active Projects</i>	Bayview Hunters Point *	Hunters Point Shipyards**	Mission Bay	Transbay	Other ***
Local Hours	79,127	460,172	168,263	172,368	53,576
TOTAL Hours	289,182	1,276,327	867,992	834,043	428,176
Local %	27.4%	36.1%	19.4%	20.7%	12.5%

* Hunters View Phase 2

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

***Includes 72 Townsend (Rincon Point South Beach) and 1450 Franklin (Western Addition)

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
- Pool of local resident construction workers has not increased in proportion to increased level of construction activities
- Strong economy providing options other than construction sector employment
- City-funded projects facing similar challenges

Workforce Challenges

Mitigating measures:

- Continue to closely monitoring contractor performance and 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, specialized training and “bridge” programs to address barriers to employment
 - Specific Job Seeker Services, including Re-Entry Program Navigator, Veterans, Young Adults and People with Disabilities
- CityBuild working with industry and community partners to expand the program to build pipeline
- **Chase Center Training**

Summary & Next Steps

- SBE participation will continue to fluctuate
- Additional attention on Type I construction projects
- Continuing efforts to increase SBE participation in Construction
 - SBE capacity building via Joint Ventures and Associations
 - Both Prime and Sub levels
 - Encouraging supplier participation
 - SBE networking
- Continuing efforts to increase local construction workforce participation
- Educate and promote LBE certification, and on-going working relations with Contract Monitoring Division (CMD)

Other Program Updates

- Mayor's Construction Workforce Advisory Committee (Nov. 29, 2016)
 - Local Hiring Policy Options include amending legislation to establish permanent 30% Local Hiring requirement
- U.S. Department of Transportation (USDOT) approval of race-conscious DBE goals for Black/African Americans and women on S.F. Municipal Transportation Agency (SFMTA) federally-funded projects