



Office of Community Investment & Infrastructure (OCII) Semi-Annual Status Report on Small Business Enterprise & Workforce Programs (July – December 2018)

Presentation Overview

- SBE Program Overview
- SBE Performance
- Workforce Performance

Equal Opportunity Programs (“EOP”)

OCII	SF City & County
Small Business Enterprise (SBE) Policy	Chapter 14B Ordinance: Local Business Enterprise and Non-discrimination in Contracting Ordinance
Nondiscrimination in Contracts and Equal Benefits Policy	Chapter 12B/12C Ordinances: Nondiscrimination in Contracts
Health Care Accountability Policy	Health Care Accountability Ordinance
Minimum Compensation Policy	Minimum Compensation Ordinance
Workforce Requirements (overall 50% with First Consideration for Project Area residents, applicable to OCII-assisted private projects)	Mandatory Local Hiring Ordinance (30% on publicly funded contracts and private projects on public land)
Prevailing Wage Policy (Labor Standards) (required on OCII-assisted private projects)	Prevailing Wage (required of public works contracts, i.e., construction-related work financed with public assistance)

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

Good Faith Efforts

GOOD FAITH EFFORT	DESCRIPTION
1. Contract Size	Unbundling or dividing contracts in order to encourage and facilitate SBE participation, including scopes that a contractor normally self-performs.
2. Advertise	Advertise for a minimum of 30 days, allowing SBEs sufficient time to respond to requests for bids or proposals.
3. SBE Lists	Outreach to SBE lists, including LBEs.
4. Public Solicitation, Outreach and Assistance	Issue solicitations, follow up with SBEs and SBE related associations, provide technical assistance to SBEs, and provide SBEs with plans.
5. Meetings	Convene pre-bid/pre-solicitation meetings to answer questions. Also, to encourage larger firms to meet and greet in hopes of establishing contracting relationships with SBEs in attendance.
6. Insurance and Bonding	Offer assistance with bonding, including eliminating the need for performance and payments bonds through an owner controlled insurance program (OCIP) on the part of a developer, or contractor controlled insurance program (CCIP) or subguard.
7. Focused Meetings	When deficiencies are noted, convene meetings for SBEs focusing on opportunities for particular industries.
8. Monitoring	Contractors will track information related to SBE and non-SBE proposals/bids that were received and provide reasons for any rejections as applicable. Compliance staff also reviews the bids to ensure SBEs are awarded contracts if competitive bids were submitted.

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

OCII SBE Performance

Six Months Activity
(July-December 2018)

Summary of Contracts Awarded

Project Type	# of Projects	Total (Millions)	SBE Credit \$ (Millions)	SBE Credit %	TOTAL S/M/WBE \$ (Millions)	S/M/WBE % of Total
Infrastructure (construction and professional services)	3	\$4.17	\$4.17	100.0%	\$4.17	100.0%
Commercial Hotel Development (construction)	1	\$101.67	\$6.44	6.3%	\$22.67	22.3%
Standalone Affordable Housing - OCII funded (professional design)	1	\$3.47	\$1.70	49.1%	\$1.70	49.1%
TOTAL	5	\$109.31	\$12.31	11.3%	\$28.54	26.1%

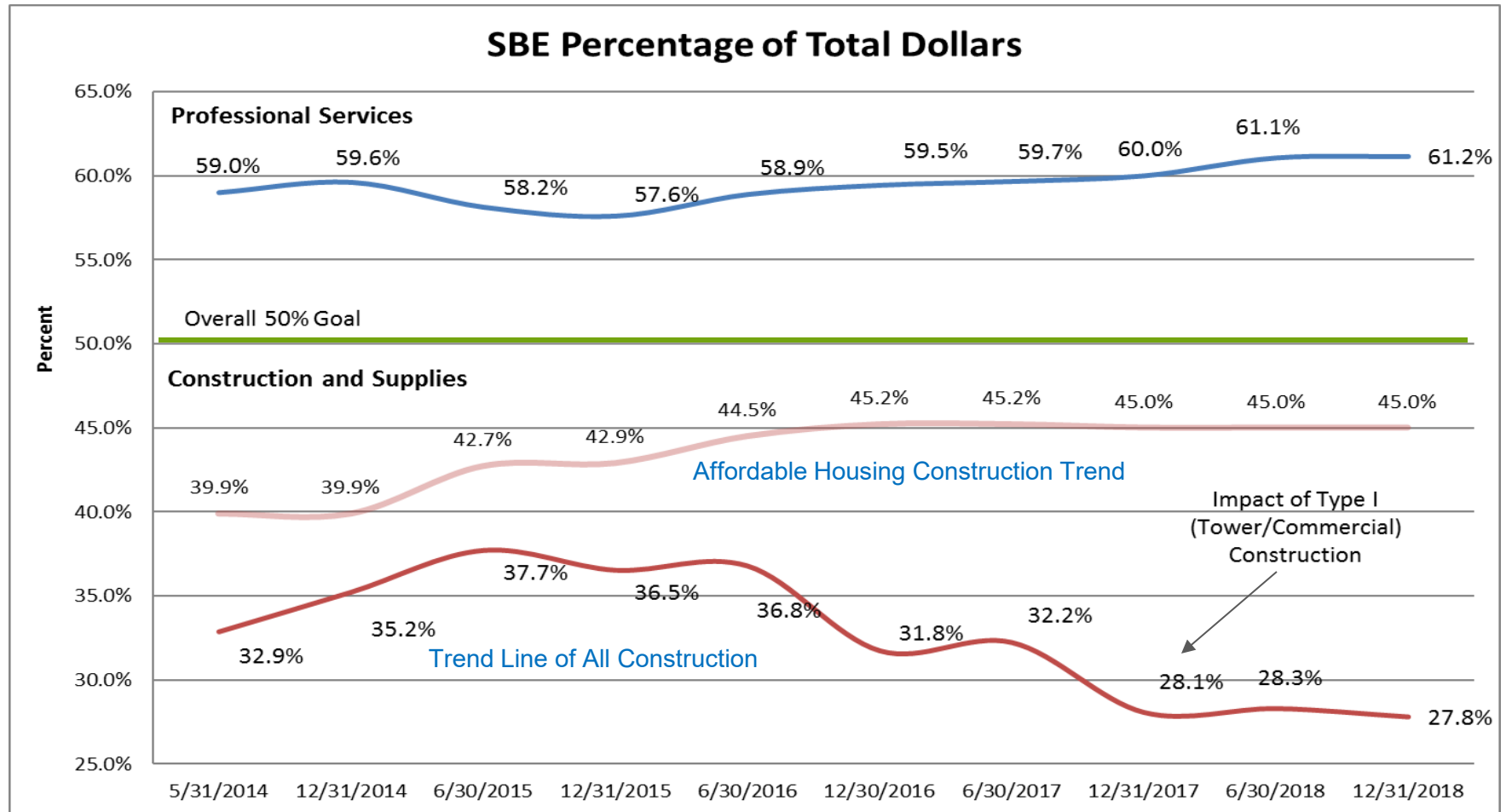
OCII SBE Performance

Accumulated Total and Percentages
(All Projects as of December 31, 2018)

<i>Aggregate Summary</i>	SBE Dollars Credited (Millions)	Total Dollars (Millions)	% of Total	Change from Prior Report
Professional Services	\$159.9	\$261.2	61.2%	0.1%
Construction and Supplies	\$1,123.8	\$4,060.7	27.7%	-0.5%
Total	\$1,283.7	\$4,322.0	29.7%	-0.5%

OCII SBE Performance

Overall Summary
(As of December 31, 2018)



Awards and Commitments by Minority and Gender Status

Six Months Activity
(July - December 2018)

<i>July-December 2018 Summary</i>	MBE \$ (Millions)	WMBE \$ (Millions)	WBE \$ (Millions)	Total M/WBE \$ (Millions)	MBE %	WMBE %	WBE%	TOTAL M/WBE %
Professional Services	\$2.3	\$0.3	\$0.1	\$2.7	43.9%	6.3%	2.6%	52.9%
Construction and Supplies	\$2.8	\$0.9	\$13.6	\$17.2	2.7%	0.8%	13.0%	16.6%
Total	\$5.1	\$1.2	\$13.7	\$20.0	4.6%	1.1%	12.5%	18.3%

Distribution of Contracts by ZIP Code

All Projects
(2008-2018)

ZIP Code	Total Contract Dollars Awarded to SBEs (Millions)	% of Total
94124	\$440	49%
94103	\$117	13%
94107	\$97	11%
94111	\$41	5%
94130	\$36	4%
94110	\$27	3%
94104	\$23	3%
94134	\$22	3%
94105	\$21	2%
94133	\$14	2%
Other SF	\$53	6%
TOTAL	\$892	100%

NOTE: District 10 firms (located in 94124, 94134 and 94107) were awarded 63% of value of SBE contracts.

Joint Ventures and Associations

(Awards after July 2015 to present)

- SBE Policy amended in July 7, 2015 to clarify Joint Venture and Association requirements and incentivize small business development
- 108 Joint Venture and Association arrangements since 2015
- 36% of SBE dollars were credited to JV/Associations (\$110M)
- Positive impact on OCII assisted projects

Ethnicity/Gender	No. of Arrangements	Actual Dollars (Millions)
Black/African American	23	\$36.6
Asian Pacific	31	11.0
Asian Subcontinent	3	0.40
Latino	14	16.3
Non-Minority (Female)	9	4.7
Non-Minority (Male)	25	39.9
Other	3	1.6
TOTAL	108	\$110.6

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
- 17 pre-bid or pre-proposal meetings; numerous developer and contractor meetings
- CMD Certification referrals
- On-going meetings and dialogue:
 - San Francisco African American Chamber of Commerce
 - National Association of Minority Contractors
 - Women Construction Owners and Executives
 - Minority Business Development Agency Business Centers
 - Shipyard Construction Assistance Program
 - Hunters Point Shipyard Citizens Advisory Committee
 - Asian American Architects and Engineers
 - Clark Construction Business Management and Strategic Partnership Program
 - Bayview Business Advisory Committee/Bayview Renaissance

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
- Change in payroll reporting system: LCPtracker

OCII Workforce Performance

Status of Local Resident Work Hours

Six Months Activity (July-December 2018)

<i>Construction Workforce July-December 2018</i>	Bayview Hunters Point*	Hunters Point Shipyard	Mission Bay	Transbay	Other**	TOTAL
Local Hours	20	24,164	175,881	115,730	8,382	324,176
TOTAL Hours	61	102,202	1,128,720	847,140	49,915	2,128,037
Local %	32.8%	23.6%	15.6%	13.7%	16.8%	15.2%

**Hunters View*

*** 706 Mission*

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

OCII Workforce Performance

Status of Local Resident Work Hours

Accumulated Total

(All Active Projects as of December 31, 2018)

<i>All Active Projects</i>	Bayview Hunters Point	Hunters Point Shipyard	Mission Bay	Transbay	Other	TOTAL
Local Hours	30,821	268,954	714,886	442,808	44,449	1,501,918
TOTAL Hours	150,287	943,589	4,325,628	2,882,628	241,435	8,543,566
Local %	20.5%	28.5%	16.5%	15.4%	18.4%	17.6%

Workforce Challenges

- Meeting workforce demands remains challenging
- High level of construction activities resulting in an unprecedented demand for local construction labor
- Local resident construction work hours increased, but not in proportion to increased level of construction activities

Fiscal Year Comparison	2018 (1/1/18-12/31/18)	2017 (1/1/17-12/31/17)	Annual Increase in Hours	% Annual Increase
Local Hours	726,479	626,146	+ 90,333	+ 14%
Total Hours	4,452,093	3,253,349	+ 1,198,744	+ 37%

Workforce Challenges

Mitigating measures

- Continue to closely monitor contractor performance and assisting General Contractors and Contractors with referrals
- Monthly compliance meetings
- CityBuild continues to expand their academy to address demand, efforts include:
 - Working closely with SFUSD, private industry, and Community Based Organizations for outreach and recruitment
 - Conducting additional outreach and classes, specialized training and “bridge” programs to address barriers to employment
 - Re-Entry Program Navigator, Veterans, Young Adults
 - CityBuild working with industry and community partners to expand the program to build pipeline- reference
 - CityBuild Academy Cycle 29 (41 Graduates)
 - Gleneagle Golf Course laborer pre-apprenticeship program.
 - Chase Center Academy Trade specific specialized trainings
 - 3rd Cycle: 5 weeks/200 hours (30 participants)
 - 85 local resident sponsorships into trade unions
 - 271 local residents placed by CityBuild on project

Summary & Next Steps

- SBE participation will continue to fluctuate
- Continuing efforts to increase SBE participation in Construction
 - Encouraging supplier participation
 - SBE networking
- Educate and promote LBE certification and on-going working relations with Contract Monitoring Division (CMD)
- Continue to foster small business capacity building
 - Joint Ventures and Associations
 - Bayview Business Advisory Committee/Bayview Renaissance – advocacy and technical assistance
 - Contract Monitoring Division Contractor Accelerated Payment Program
- Continuing efforts to increase local construction workforce participation
 - Encouraging employers to sponsor residents into trade unions