

EXHIBIT Y

Small Business Enterprise Policy

[ATTACHED]



**SAN FRANCISCO REDEVELOPMENT
AGENCY**

**SMALL BUSINESS ENTERPRISE
POLICY**

Adopted: November 16, 2004
Amended and Restated: July 21, 2009

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 San Francisco Redevelopment Agency (“**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.

III. DEFINITIONS

“**Small Business Enterprise (SBE)**” means an economically disadvantaged business that: 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; has average gross annual receipts in the three years immediately preceding its application for certification as a SBE that do not exceed the following limits: (a) construction--\$14,000,000; (b) professional or personal services--\$2,000,000 and (c) suppliers--\$7,000,000; and meets the other certification criteria described in Exhibit I.

In order to determine whether or not a firm meets the above economic size definitions, the Agency will use the firm’s three most recent business tax returns (i.e., 1040 with Schedule C for Sole Proprietorships, 1065s with K-1s for Partnerships, and 1120s for Corporations).

Once a business reaches the 3-year 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 is 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. The calculation of a concern's size includes the employees or receipts of all affiliates.

“**Agency-Assisted Contract**” means Development and Disposition Agreements, Land Disposition Agreements, Leases, Loan and Grant Agreements, personal services contracts 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. Receipts are averaged over a concern's latest three (3) completed fiscal years to determine its average annual receipts. 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.

“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.

“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), Federal Office Building, Hunters Point Shipyard, Mission Bay (North), Mission Bay (South), Rincon Point/South Beach, South of Market, Transbay Terminal, Yerba Buena Center and Visitacion Valley.

“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.

“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 Agency-Assisted prime contractors.

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. These 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. **Certification:** Only firms certified as SBEs will be counted toward meeting the participation goals described above. The SBE Certification Criteria are set forth in Exhibit I.

F. **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 –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.** Recognizing that lines of credit, insurance and bonding are problems common to small businesses, staff will be available to explain the Agency's insurance and bonding requirements, answer questions about them, and be prepared to suggest avenues of assistance.

8. **Focused Meetings.** When deficiencies are noted Contract Compliance staff will work with the responsible staff person to convene a meeting 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, if asked, we will again explain the Agency's insurance and bonding requirements, answer questions about them, and distribute brochures that describe the SBA-insured bonding program.

VI. CONSTRUCTION CONTRACTORS

A. Construction contracts and subcontracts awarded for \$5,000 or more shall contain the Attachment to Instructions to Bidders Construction Work Force 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:

“Amounts for work performed by a subcontractor shall be paid within ten (10) days of receipt of funds by the contractor, pursuant to 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

For any Agency-Assisted Contract which requires the submission of certified payroll reports, the following requirements in this Section VII shall apply:

A. Each Contractor shall submit through the General Contractor to the Agency by noon on each Wednesday a payroll report for the week preceding the previous week on each of its employees. Each prime contractor is responsible for the submission of this report by each of its subcontractors and for certifying its accuracy.

B. No monthly progress payments will be processed until Contractor has submitted weekly certified payrolls to the Agency for the applicable time period. Certified payrolls shall be prepared pursuant to this SBE Policy for the period involved for all employees, including those of subcontractors of all tiers, for all labor incorporated into the work.

C. Contractor shall submit certified payrolls to the Agency electronically via the Project Reporting System ("PRS") selected by the Agency, an Internet-based system accessible on the World Wide Web through a web browser. The Contractor and each Subcontractor and Supplier must register with PRS and be assigned a log-on identification and password to access the PRS.

D. Use of the PRS may require Contractor, Subcontractors and Suppliers to enter additional data relating to weekly payroll information including, but not limited to, employee identification, labor classification, total hours worked and hours worked on this project, and wage and benefit rates paid. Contractor's payroll and accounting software may be capable of generating a "comma delimited file" that will interface with the PRS software.

E. For each Agency-Assisted project, the Agency will provide basic training in the use of the PRS at a scheduled training session. Contractor and all Subcontractors and Suppliers and/or their designated representatives must attend the PRS training session.

F. Contractor shall comply with the requirements of this Article VI at no additional cost to the Agency or the Owner.

G. 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.

H. 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.

I. The Contractor shall make the payroll records available to for inspection at all reasonable hours at the job site office of Contractor.

J. 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. LAND DISPOSITION AGREEMENTS, LEASES, LOAN/GRANT AGREEMENTS, OPERATING AGREEMENTS

A. 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.

IX. 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.

X. APPEALS

A. 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.

XI. WAIVER

A. 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.

XII. SEVERABILITY

A. 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 Human Rights Commission (HRC) of the City and County of San Francisco and will accept those certifications or denials that are consistent with the standards and practices 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 to be recognized as an SBE, the SBE component must have at least a 35% interest in the joint venture..

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 owner must 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; whether the 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: A person that owns or is employed by a non-SBE 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, a person that owns or is employed by a non-SBE and who is used to qualify a construction business who is not the Qualifying Partner, Responsible Managing Employee or Responsible Managing Officer 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 certified 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 currently certified as Disadvantaged Minority-owned Business Enterprises (MBE) and Woman-owned Business Enterprises (WBE) shall be 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 Disadvantaged Business Enterprise Program of the City and County of San Francisco, S.F. Administrative Code Chapter 14A, 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.