



CONTRACT MONITORING DIVISION CITY ADMINISTRATOR'S OFFICE



London N. Breed, Mayor
Carmen Chu, City Administrator

Romulus Asenloo, Director

PW Various Locations Pavement Renovation No. 54 and Sewer Replacement Sourcing Event ID No: 000003759

Chapter 14B Local Business Enterprise (LBE) Requirements

August 26, 2021

CMD Contact Information

Finbarr Jewell, Contract Monitoring Division, Finbarr.Jewell@sfgov.org

CMD Attachment 1. Please read CMD Attachment 1 carefully. CMD 14B requirements are included in Attachment 1, which can be found:

On CMD's website:

<https://sfgov.org/cmd/sites/default/files/Documents/CMD%1%20-%208.01.16.pdf>

Or <https://sfgov.org/cmd/lbe-compliance-1>

The LBE subcontracting requirement for this project is 20%.

Bidders MUST MEET the 20% subcontracting requirement and identify all LBE subcontractors at time of bid due date and time. The listed LBE must be certified on the day of the bid no exceptions. Furthermore,

A Bidder shall list on Document 00435 or Section 00 43 36 ALL LBE subcontractors, suppliers, and service contractors (such as truckers), including their respective subcontract dollar toward the Contract's LBE subcontracting participation requirement

If a bidder obtains materials, supplies, articles or equipment from an LBE supplier, up to 60% of the cost of the items will count toward the LBE subcontracting requirement only if the supplier performs a Commercially Useful Function by taking possession of the items and assuming risk of delivery.

LBE Bid Discount

Contracts with an estimated Cost in excess of \$10,000,000 and less than \$20,000,000 a 2% bid discount will apply to any bid submitted by Small, Micro and SBA-LBE.

Good Faith Outreach

Please be advised that under the recently amended 14B Ordinance it is no longer sufficient to just meet the subcontracting requirement. Under the amended 14B Ordinance:

The Prime Contractor must meet the subcontracting requirement and must also submit CMD Form 2B, the Good Faith Outreach Requirements Form, along with all supporting documentation. Of particular importance, the **Prime Contractor must advertise and contact the requisite number of subcontractors.**

or

The Prime Contractor must exceed the project's stated LBE participation requirement by 35%. In the instant case, **to qualify for the good faith outreach exemption the prime contractor's LBE participation must meet or exceed 27%.**

Other Requirements

- If you are interested in becoming certified for this project, you must get in touch with our certification unit as soon as possible. Let the certification unit know you are Proposing on a project (including the proposal due date) and they will try to get you certified quickly. However, please be aware that CMD may not be able to complete the certification of new firms by the proposal due date.

NOTE

- SBA LBE CERTIFIED FIRMS CANNOT BE LISTED TO MEET THE LBE PARTICIPATION REQUIREMENT**
- PUC LBE CERTIFIED FIRMS CANNOT BE LISTED TO MEET THE LBE PARTICIPATION REQUIREMENT**
- ARE YOU 12B COMPLIANT? YOU WILL NEED TO BE BEFORE AWARDED DEPARTMENT CAN AWARD CONTRACT**
- PRIME MUST LIST AMOUNT OF SUBCONTRACT WORK FOR LBE AT TIME OF BID**
- SBA-LBEs ARE NOT ELIGIBLE FOR GOOD FAITH EFFORT EXCEPTION PER SECTION 14B.8(B) AND ARE REQUIRED TO MEET GOOD FAITH EFFORT REQUIREMENTS STIPULATED ON CMD FORM 2B.**

Form CMD Form 2B Must Be Submitted with THE Bid

The apparent low will submit the following 5 days after bid opening

- **Form 3 – CMD Non-Discrimination Affidavit**
- **Form 6 – LBE Subcontractor Participation Affidavit**
- **Form 6A – LBE Trucking Form (IF APPLICABLE)**

DIR REGISTRATION: YOUR LBEs MUST BE REGISTERED AT THE TIME OF BID. IF LBE SUB IS NOT; CMD CANNOT TABULATE LBE PARTICIPATION CREDIT.

I strongly encourage each Prime bidding on this contract to contact me if you have any questions regarding any of the CMD requirements or forms.