



MEMORANDUM

November 4, 2022

TO: MEMBERS, PORT COMMISSION
Hon. Willie Adams, President
Hon. Kimberly Brandon, Vice President
Hon. John Burton
Hon. Gail Gilman
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director 

SUBJECT: Report on Local Business Enterprise Contracting Activity for Fiscal Year (July 1, 2021 through June 30, 2022) and Contracting Recommendations

DIRECTOR'S RECOMMENDATIONS: Information Only – No Action Required

I. EXECUTIVE SUMMARY

This report provides the Port Commission with information on contracting activity for Fiscal Year 2021-2022 ("FY") (July 1, 2021 through June 30, 2022) and the Contract and Procurement team progress on Local Business Enterprise ("LBE") engagement and equity during the same time period.

Total Value of New Contracts subject to LBE program: \$5.3 million (10 contracts)

During FY 2021-2022, the Port awarded 10 contracts with a cumulative value of \$4,278,299. Six of the ten contracts (60%) were awarded to an LBE prime contractor. This exceeds the Port Commission's informal policy to award a minimum of 20% of contracts to LBE firms.

Total payments to active and open Port contracts subject to LBE program: \$14.4 million including \$7.4 million (51%) to LBE Primes and LBE subcontractors.

During FY 2021-2022 payments to LBE prime contractors were \$1.9 million (13%) and payments to LBE subcontractors were \$5.4 million (38%). Total payments to LBE contractors were \$7.4 million (51%).

Port projects continue to meet Local Hire Ordinance compliance requirements.

The Port currently manages twelve public works and private development contracts subject to the Local Hire Ordinance. The Office of Workforce and Economic Development (“OEWD”) has deemed all contracts compliant with this Ordinance.

The Port continued to implement a comprehensive LBE strategy and is advancing equity strategies and improving solicitation practices.

II. BACKGROUND

The Port engages in a variety of contractual transactions that includes leases, developer agreements, construction contracts, general service contracts, and professional services contracts.

The Port must comply with federal, state, and local laws concerning nondiscrimination in contracting. Construction contracts, general services contracts, and professional services contracts are subject to the San Francisco Administrative Code Chapter 14B LBE subcontracting participation requirements. The LBE program applies to City and County of San Francisco (“City”) contracts, including many Port contracts.

Prior to the adoption of Chapter 14B, the City and County of San Francisco implemented Chapter 12D, Minority/Women/Local Business Utilization Ordinance between 1989 until 2006. In 2006, the City and County of San Francisco was enjoined by the San Francisco Superior Court from enforcing certain provisions of Chapter 12D (benefits and preferences for minority and women businesses.¹) due to conflicts with California Proposition 209, a measure that amended the state constitution to prohibit state and local government from considering race, sex, or ethnicity in areas of public employment, public contracting, and public education.

The successor ordinance to Chapter 12D is Chapter 14B, the Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance, first adopted by the Board of Supervisors in 2006. This ordinance expanded contracting opportunities and benefits for certified small San Francisco based firms, which are defined and categorized (micro or small) based on gross receipts by type of industry. The Contract Monitoring Division (“CMD”), a division of the City Administrator’s Office, oversees compliance with and adherence to Chapter 14B. CMD accepts and reviews applications and certifies qualifying local firms as LBEs. Once a business is certified as an LBE, it is also classified as a Minority Owned Enterprise (“LBE-MBE”), Woman Owned Enterprise (“LBE-WBE”), Other Business Enterprise (“LBE-OBE”), or Non-Profit Enterprise (“LBE-NPE”). As summarized in Chart 1, as of July 1, 2022 (the most recent data available from CMD) there were 1,041 certified micro and small LBE firms. Of these firms, 366 are certified LBE-MBEs. The ethnicity breakdown of all LBEs is shown in Chart 2.

¹ Chapter 14B: Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance, 14.5.1.(B)(5)

Chart 1: Certified Small and Micro LBEs as of as of July 1, 2022

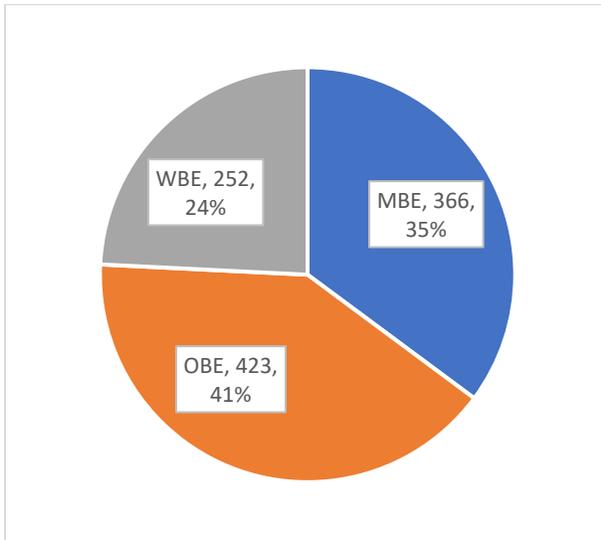
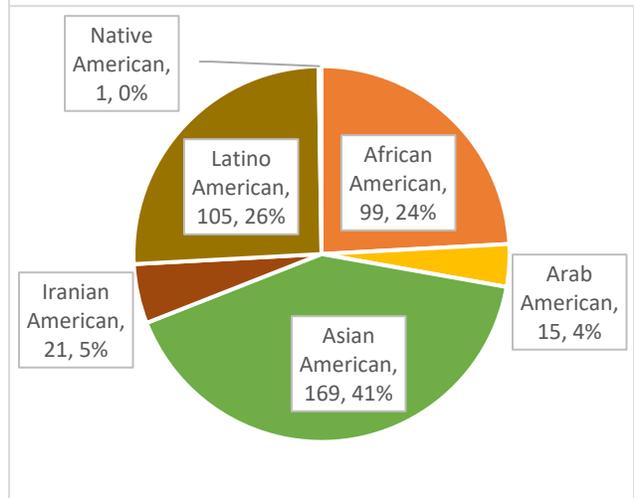


Chart 2: Certified Micro and Small LBEs with a Minority Owner as of July 1, 2022²



When establishing LBE requirements for a contract, CMD reviews the scope of a project and the nature of the work and determines the availability of City-certified LBEs for the contract. CMD also determines compliance with the subcontracting requirement at contract close-out.³ When bidding as a prime contractor or as part of a joint venture, LBE firms receive bid discounts for construction bids and point bonuses in the case of professional service Requests for Proposals (“RFP”) and Request for Qualifications (“RFQ”).

Not all City contracts include an LBE subcontracting requirement. If 1) the contract value is less than the threshold amounts for the program of \$100,000 for professional service contracts and \$500,000 for construction contracts, or 2) Federal law prohibits the use of local preferences, or 3) a waiver is obtained from CMD (such as in the case of an emergency contract, a sole source contract, lack of subcontracting opportunities, or lack of LBE availability for the specific scopes of work), then an LBE subcontracting requirement is not included.

Prior to soliciting bids and/or responses to requests for proposals/qualifications, Port staff engage CMD to review the availability of LBE firms and CMD independently determines the LBE subcontracting requirement for inclusion in the solicitation or RFQ/RFP.

² Chart 2 includes ethnicity for both LBE-MBEs and LBE-WBEs that have a minority owner.

³ LBE subcontracting requirements are calculated based on the contract amount. Following CMD Policy, contract allowances, alternates or contingencies are not factored into calculating final LBE participation rates. CMD reviews on a case-by-case basis contract amendments that result in a cumulative increase in the total contract amount of 50% or more. CMD may apply LBE subcontracting goals to these contract amendments based on a review of the additional work.

III. Contract Activity Update

During FY 2021-2022, the Port awarded 11 new contracts. Ten contracts are subject to the LBE program totaling \$4,278,299. The Port awarded six of the ten (60%) contracts to LBE primes. The Port paid \$14,404,337 on contracts with LBE requirements and \$7,363,744 (51%) of that amount to LBEs.

A. **New Contracts:** As summarized in Table 1 and detailed in Attachment 1, in FY 2021-2022, the Port issued 11 contracts and the 10 contracts subject to the LBE program had a cumulative value of \$5,254,754. Six of the ten contracts subject to the LBE program were awarded to an LBE.

Table 1. Contracts Awarded from July 1, 2021-June 30, 2022

Type of Contracts	Total # of Contracts	Total Dollar Amount	LBE Award Amount (Prime & Subs)	Total LBE% of \$ Awarded
As-Needed	1	\$3,000,000	\$3,000,000	100%
Construction	1	\$1,278,299	\$1,253,732	98%
Professional Services	8	\$976,455	\$396,455	41%
Total	10	\$5,254,754	\$4,650,187	88%
Non Chapter 14B (federal funds and thus exempt from 14B)	1	\$2,242,494		

1. Use of Delegated Authority (\$336,455; 5 contracts): The Port awarded 5 contracts totaling \$336,455 in the reporting period through the Executive Director's Delegated Departmental Authority.

On December 15, 2021 the Port awarded Next Steps Marketing, a WBE-MBE, a \$59,750 contract for Aquatic Parks Stakeholder Engagement Outreach Planning. The Port conducted a mini-RFP among LBE firms prequalified in the Office of the Controller's prequalified pool CON|RFQ2019-10 Service Area 1 for stakeholder outreach services. This contract has no LBE requirement, but 100% of the work will be performed by the LBE Prime.

On February 4, 2022 the Port awarded Davis and Associates LLC, a WBE-MBE, a \$51,915 contract for internal stakeholder outreach services related to the Racial Equity Action Plan diversity programming. The Port selected Davis and Associates LLC from firms prequalified in the Office of the Controller's prequalified pool CON|RFQ2019-10 in Service Area 1 for stakeholder outreach services. This contract is below the threshold for an LBE requirement and 100% of the work will be completed by an LBE.

On May 17, 2022, the Port awarded BLX Group LLC, a non-LBE, a \$50,000 contract for arbitrage rebate consulting services. BLX was the only respondent to an informal

solicitation. This contract is exempt from LBE requirements as the contract value is below the LBE requirement threshold.

On June 20, 2022, the Port awarded M4motic Inc, doing business as Opportu, a WBE-LBE, a \$99,790, contract for racial equity facilitation. The Port did an informal solicitation and reviewed proposals from firms prequalified in the Office of the Controller's prequalified pool CON|2019-02 and CON|2019-02A in service areas 4: racial equity consulting services. The Port received a waiver from LBE contracting requirements and 100% of the work will be self-performed by an LBE.

On June 29, 2022, the Port awarded Scola and Associates, a non-LBE, a \$75,000 contract for grant writing services. The Port did an informal solicitation to create a pool of grant writing services firms and selected Scola Associates from among the qualified firms. The Port received a waiver from LBE contracting requirements.

2. Port Commission Approved (\$4.9 million: 5 contracts) The Port Commission awarded five contracts valued at \$4,918,299 subject to the LBE program in the reporting period. All contracts were issued through formal contracting guidelines under Administrative Code Chapters 6, 21, and/or 14B.

On October 26, 2021, the Port Commission awarded a \$200,000 contract to Deloitte & Touche LLP, a non-LBE, to provide services for implementation of government accounting standards board statement number 87. Deloitte & Touche LLP met the 10% LBE subcontracting requirement through a subcontract to Ross Financial Services (OBE-LBE).

On January 1, 2022, the Port Commission awarded a \$400,000 sole source contract to Watts Marine, a non-LBE, to provide testing and recommissioning of the shoreside power at the cruise terminal. This contract received a sole source waiver from the Office of Contract Administration and a LBE subcontracting requirement waiver from the Contract Monitoring Division.

On April 12, 2022, the Port Commission awarded a \$3,000,000 contract to Hollins Consulting Inc, a MBE-LBE, for as-needed technical services for the development projects. Hollins Consulting committed to exceed the 20% LBE requirement by subcontracting 40% to Edgar Lopez & Associates (MBE-LBE), Lotus Water (OBE-LBE), and Geometrix Surveying Engineering Inc (OBE-LBE). The total LBE performance on this contract will be 100%.

On June 14, 2022, the Port Commission awarded a \$1,278,299 contract to Yerba Buena Engineering & Construction, a MBE-LBE, for the Pier 70 shipyard grading. Yerba Buena seeks to meet the 20% LBE requirement with subcontracts to OBS Engineering, Inc (MBE-LBE), AEW Engineering (MBE-LBE), HVYW8 Trucking Inc (WBE-LBE) and On the Level Concrete (MBE-LBE). The total LBE performance on this contract will be 98%.

On May 10, 2022, the Port Commission awarded a \$40,000 sole source contract to Macchiato, OBE-LBE, for a grant-funded contract for additional interpretative signage at Islais Creek. This contract is exempt from the LBE program and 100% of the contract will be performed by an LBE.

On March 22, 2022, the Port Commission Awarded a \$2,242,494 contract to Dixon Marine, a woman-owned disadvantaged business enterprises (DBE) for the Heron’s Head shoreline work. This contract is funded from a federal grant and exempt from the LBE program. This project is subject to the Small Business Enterprise and Disadvantaged Business Enterprise requirement.

B. Contract Payments

Port contract payments totaled \$14,404,337 for contracts governed by the LBE program. LBE firms were paid \$7,363,744 (51%), including \$1,902,913 (13%) to LBE primes contractors and \$5,460,861 (38%) to LBE subcontractors. The Port and CMD staffs monitor payments to LBEs to ensure that Port contractors honor their contract commitments.

Table 2: Contract Payments and LBE Participation from July 1, 2021 – June 30, 2022

Type	Total Payments	Prime LBE Payments	Sub LBE Payments	Total LBE Payment	Overall %	Sub %
As-Needed	\$3,680,566	\$953,732	\$625,603	\$1,579,335	43%	17%
Construction	\$2,948,297	\$471,798	\$1,230,027	\$1,701,825	58%	42%
Professional Services	\$7,775,474	\$477,383	\$3,605,231	\$4,082,614	53%	46%
Total	\$14,404,337	\$1,902,913	\$5,460,861	\$7,363,774	51%	38%
Non-14B Contracts ⁴	\$735,533					

1. As Needed Contracts: The Port managed 29 active as-needed contracts that received \$3,680,565 in payments FY 2021-2022. As detailed in Attachment 2, LBE contractors received \$1,579,355 (43%) of all as-needed contract payments.

- Real Estate – Payments made on the as-needed real estate contracts totaled \$279,123. Payments made to LBEs during the reporting period totaled 41%.
- Engineering – Payments made on the as-needed engineering contracts totaled \$1,526,456 during the reporting period. Payments made to LBEs during the reporting period totaled 56%.
- Environmental and Planning Services – Payments made on the as-needed environmental services totaled \$1,313,442. During the reporting period 45% of payments were paid to LBE consultants.

⁴ See Attachment 5 for why these contracts do not have LBE requirements.

- Hazardous Waste – Payments made on the as-needed hazardous materials disposal contracts were \$638,686. There were no payments made to LBE in this time period as the LBE scopes of work were not used.
 - Communications – Payments made on the as-needed communications contracts totaled \$104,959. 100% of payments were made to LBE firms.
2. Construction Contracts. In the reporting period, the Port managed two contracts with LBE requirements. As detailed in Attachment 4, LBE contractors received \$2,948,297 (58%) in total payments.
- Crane Cove Park Building 49: This project is being completed by Wickman Development and Construction (LBE-OBE). The LBE requirement is 20% and 37% of payments went to LBE subcontractors.
 - Heron’s Head Park Path and Electrical Improvements: This project is being completed by CF Contracting (LBE-OBE). The LBE requirement was 20% and 66% of payments were made to LBE subcontractors.
 - 19th and Georgia Construction: This project was completed by Cazadoro Construction, a LBE-WBE contractor. This project includes federal funding so there is no LBE requirement, but 84% of payments were made to LBEs.
3. Professional Services Contracts. During the reporting period, the Port managed six professional services projects governed by the LBE ordinance. As detailed in Attachment 4, LBE contractors received \$3,605,231 (46%) in total payments during the reporting period.
- *Crane Cove Park Design:* The Crane Cove Design Project led by AECOM Technical Services, a non-LBE firm, made 40% of payments to LBE subcontractors.
 - *Seawall Resiliency Project:* CH2M Hill/Jacobs, non-LBE project lead for the Seawall Earthquake Safety Program, has committed 21% LBE subcontracting requirement and payment to LBE subconsultants was 42% during the reporting period.
 - *Waterfront Land Use Plan and Environmental Review:* The environmental review of the Waterfront Lane Use Plan is led by Environmental Science Associates, a non-LBE firm. The contract has an 18% LBE goal and 27% of payments were made to LBE subconsultants.
 - *Technical Support for Pier 70:* The technical support for private developments at Pier 70 and Mission Rock contract led by Hollins Consulting, LBE-MBE, has a 24% LBE subcontracting goal. Payments to LBE subcontractors were 18% and 100% when payments to the prime are included.

- *Cost Allocation:* Crowe LLP, a non-LBE firm, has a 10% goal. There were no payments to LBE subcontractors during the time period because the LBE scope of work did not occur in this time period.

4. **Exempt Contracts.** The Port has 15 contracts that are exempt from the provisions of the LBE Ordinance due to their contract size, funding source requirements, LBE subcontracting waiver granted by CMD, or emergency contract. While these contracts are exempt from LBE subcontracting requirements, Attachment 5 includes information about the contracts to provide a complete picture of the Port's overall contracting activity.

C. **Port Development Agreements:** The Port oversees two development projects at Pier 70 and Mission Rock. While these development agreements are not subject to the Chapter 14B LBE program, the Port and the developers established a specialized LBE utilization plan to govern each project's local business inclusion and participation.

1. **Pier 70:** The Pier 70 project led by Brookfield has a 17% LBE participation goal. Attachment 6 outlines the contracts awarded through FY 2021-2022. Through the project, Pier 70 has awarded \$219.9 million in contracts, of which \$62.2 million (28%) has been awarded to the three threshold sizes for LBEs including micro, small, or SBA-LBEs.

2. **Mission Rock:** The Mission Rock Development Project led by Mission Rock Development Partners has a 10% participation goal for pre-construction work and a 20% participation goal for construction. Attachment 7 shows Mission Rock has awarded \$795.5 million in contracts through the reporting period, of which \$124.2 million (15.7%) has been awarded to micro, small or SBA-LBEs.

D. **Compliance with Local Hire Requirements:** The San Francisco Local Hire Policy for Construction applies to construction projects advertised for bid after March 25, 2011, for public works or improvements that are City funded with an engineer's estimate above the threshold amount which is \$1,000,000. The Local Hire Ordinance is in Chapter 82 of the San Francisco Administrative Code and requires contractors and their subcontractors to attain a minimum of 30% work hours by trade per project using San Francisco residents.⁵ The ordinance also requires that 50% of apprentice hours per trade be performed by disadvantaged San Francisco residents. The program is managed by the Office of Economic and Workforce Development ("OEWD"). The Port currently maintains four active construction contracts and three private development projects that are subject to the requirements of the Local Hire Ordinance. OEWD staff advises that the projects are compliant and the overall total work hours for Port projects, both public works and private development, is 22% and total apprentice hours is 41%. See Attachment 7 for additional information.

⁵ Local Hire Requirements increased from 20% to 25% on applicable contracts solicited after March 2012, and to 30% for contracts solicited after March 2013.

In some instances, contractors' use of Local Hire falls below initial estimates. Under the Local Hire Ordinance, OEWD staff may authorize conditional waivers and exemptions, including exemptions for marine related pile driving, asbestos removal, operating engineering work and other specialized trades. For example, the majority of the work in the Port's maintenance dredging contract is exempt from the Local Hire Ordinance given the specific nature of dredging work.

IV. Outreach and Community Engagement

In addition to the formal administration of Port contracts, Port staff continued its efforts to increase opportunities and technical services to local businesses. This work is designed to support and expand the Port's LBE community through outreach, one-on-one engagement and targeted technical support to increase contractor capacity.

July 2021 and ongoing – The Port of San Francisco Micro-LBE Emergency Relief Program finalized its loan approach and engaged the service provider Main Street Launch. The Port contacted all LBEs on its outreach list and contracted with RDJ Enterprises to provide additional outreach and technical assistance for applicants. The program's application portal was launched in December 2020 and all funds have been deployed.

July 2021 – Contracts and Procurement Team participated in the Northern California Procurement Technical Assistance Center annual Gov2Biz matchmaker event. Potential suppliers scheduled one-on-one meetings with the Port and connected with Port staff about potential opportunities. The Port met 15 firms and connected these organizations to both Port and other City and County of San Francisco firms. The Port assisted one new supplier through the City supplier compliance process.

August 2021 – The Port was the guest host for an hour-long meeting with the Black and Latino Contractors Association. Port staff met the members of the organization to engage in dialogue about the Port and answer questions and concerns about Port opportunities.

July - August 2021 – The Port planned to lead three in-person workshops at the Black Business Week Summit. Due to a COVID-19 surge in cases, the African American Chamber of Commerce cancelled the event the day before summit start date.

October 2021 – The Port was a speaker at the San Francisco Small Business Summit hosted by the Office of City Administrator. This website <https://sf.gov/san-francisco-small-business-summit> was created as an archive of the two-day event and includes the Port presentation. The Port developed an outreach list for the event of licensed construction firms near the waterfront and throughout San Francisco. This list was to expand outreach for the LBE program among eligible non-LBEs. Among those who preregistered for the event 73 of the 600 (12%) of pre-registered participants were contacts from the Port outreach list.

March 2022 – The Port hosted the annual contractor’s open house for 115 attendees. This was a virtual event where the Port lead nine plenary sessions, but also provided a virtual platform to allow for one-on-one networking scheduled by subcontractors. The one-on-one networking resulted in 13 hours of one-on-one networking. In addition, Port recorded the virtual sessions and shared all of the slide decks and presentation on a website to provide access to the content after the event. This webpage is available at <https://sfport.com/smallbusiness>.

April 2022 – The Port tabled at the Associated General Contractors, SFPUC and Build Out California’s Small Business Construction event. This was a day-long event with hundreds of participants and Port networked with small businesses from San Francisco and the Bay Area.

May 2022 – The Port co-hosted an event with the Northern California Procurement Technical Assistance Center to provide technical assistance on doing business with the City. This was the first co-sponsored event between the City and the NORCAL PTAC. Outreach was conducted to both the Port and the Norcal PTAC’s lists so there was a broader reach. There were 15 participants from San Francisco and the Bay Area and the video of the webinar has 90 views.

July 2021 – June 2022– The Port continued to offer drop-in office hours to provide small businesses opportunities to engage in direct conversation with Port staff. During the summer months, Port staff moved office hours to on-demand scheduling. Since office hours was initiated, Port staff have met with 45 small businesses. Other City departments have reached out to the Port to duplicate the office hours model to improve department accessibility.

V. Key Strategic Initiatives on Improvements to Outreach and Contracting

The Contracts and Procurement team have made progress on the below REAP items:

8.1.1	Advertise all contracting events to racially diverse business, LBE, DBE, and non-certified minority owned businesses.
8.1.2	Conduct early targeted outreach to MBE, DBE and non-certified minority owned businesses
8.1.3	Engage with technical service providers on common barriers
8.2.4	Evaluate feasibility for pool (similar to public works job order contracting) to increase capacity of small minority businesses
8.3.1	Collaborate with CityBuild and development partners to create training programs to increase pool of qualified candidates of Black, Indigenous and other people of color
8.4.1	Fund Youth Employment Program
9.1.2	Establish Port’s loan and grant program for LBEs, specifically tenants and businesses from the Black, Indigenous, and people of color communities

A. Changes to RFPs Formatting for Efficiency and Equity

The competitive selection process requires an investment of time for City staff, respondents, and the scoring panel. A common barrier cited by small businesses is the complexity of the City process and investment of time to respond to proposals. The Port is implementing changes to its competitive solicitations to improve the business process for the stakeholders and improve equity opportunities.

1. Earlier Outreach at Commission Action

Port staff must ensure that the bidding community receives equal access to information when there is a potential solicitation. As such, Port staff deliberate to ensure that stakeholders are receiving information at the same time. For the most recent RFQ for As-Needed Engineering, there was scheduled lag between Commission action to authorize advertisement and the publication of the RFQ. Some savvy firms, generally the largest firms, regularly watch Commission meetings for advance notice of advertisement. Smaller firms, however, lack the resources to track opportunities.

Once the information about the opportunity entered the public realm through the Port Commission meeting, Port staff shared the Port Commission staff report to the solicitation outreach list, including to LBE bidders, to ensure there was a maximum amount of time for team formation in advance of the formal advertisement. Port staff believes this resulted in robust early outreach by shrinking the advantage of the largest firms. The As-Needed Engineering pre-proposal meeting had over 120 participants, one of the largest pre-proposal meetings hosted by the Port.

2. Simplification and Standardization of RFP Responses

Responding to an RFP is resource-intensive project. A typical RFP will require information such as firm background, license qualifications, project experience, staff experience, subconsultant lists, organizational structure, fees and agreement to City terms and conditions for a contract. A typical RFP response is over 50 pages and often runs to hundreds of pages. Large firms have marketing and design teams that are engaged in responding to RFPs.

Port staff are working to simplify the RFP response process and ensure respondents focus on the necessary information. Port is now publishing response templates for some sections of the RFPs to clarify and simplify how to provide the required information. Respondents do not need to spend time creating a format or layout and can respond directly to the form. Subconsultants can easily identify the requirements of subconsultants, complete the forms once, and submit their expertise to numerous Prime respondents. This format also provides an added benefit to the evaluation panel. The proposals are all organized in a common format so the panelists can navigate through the responses to identify, digest, and score the proposals more

easily. A template and form-based RFP increases the effort required by staff to design and publish the RFPs, but decreases the time burdens for both prime respondents, subconsultants, and the scoring panel.

3. Inclusion of Racial Equity Action Plan in Scored Criteria

The Office of Racial Equity (ORE) and the required departmental Racial Equity Action Plans are aimed at structural racial inequalities and implementation of policies that practices that create impact. However, California Proposition 209 prohibits government institutions from giving preferential treatment to any individual or group in public contracting on the basis of race, sex, color, ethnicity or national origin

Port staff considers racial equity action plans as useful tools to create fairness for all and the distribution of opportunity. In upcoming solicitations, the Port is including a scored question to determine if the respondent does or does not have a racial equity action plan. The respondent can be awarded one point for having a racial equity action plan and zero points for respondents with no plans. These proposals are not yet being evaluated for quality. Port staff will work with ORE to determine how to advance the practice and implementation of racial equity action plans for City stakeholders.

4. Creation of Pre-Qualified Pools for Additional Contracts

The Port recognizes that there is significant time, expense, and expertise that is needed to respond to a solicitation. In most instances, after the award of a contract, the proposals from firms that were not awarded a contract are abandoned as the process has concluded with award to the top scoring firm.

Port staff believe the following is a more effective strategy with benefits to both the City and the contracting community. At the conclusion of a competitive process that has resulted in the award of contracts, Port staff is creating pre-qualified pools of the high-ranking proposals. If the Port has future contracting needs, then the Port can follow the requirements of Chapter 6 and 21 for pre-qualified pools to award additional contracts. This eases an administrative and time burden for both the City and Contractors and provides more time for receiving services over administrative and process-related tasks. Contracts awarded from these pre-qualified pools will be brought to Port Commission for approval, in line with Port's policy for Executive delegated authority.

VI. Conclusion

In the FY 2021-2022, the Port exceeded its policy to award a minimum of 20% of contracts to LBE firms by awarding 60% of its contracts subject to the LBE program to LBE prime contractors. The Port made payments of \$7.4 million (51%) of its LBE contract payments to LBEs. Finally, the Port advanced its efforts to provide opportunity to the small business community through improvements to its contracting processes and robust outreach activities.

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Appendix A: General Contract Terms & Port Thresholds
Attachment 1: Contracts Awarded Fiscal Year 2021-2022
Attachment 2: As-Needed Contracts Fiscal Year 2021-2022
Attachment 3: Construction Contracts Fiscal Year 2021-2022
Attachment 4: Professional Service Contract Fiscal Year 2021-2022
Attachment 5: Non-Chapter 14-B Contracts, Fiscal Year 2021-2022
Attachment 6: Pier 70 Development LBE Participation
Attachment 7: Mission Rock LBE Participation
Attachment 8: Office of Economic and Workforce Development Local Hire
Participation, January 1, 2022 – June 30, 2022

APPENDIX A

General Contract Terms and Port Thresholds

A. Use of Professional Services Contracts: Professional Services are those services which require the exercise of discretion and independent judgment in their performance, and/or the application of an advanced, specialized type of knowledge, expertise, or training. Examples of professional service providers include architects, engineers, and software developers. The City's Civil Service Commission must review all Professional Services contracts to determine whether City employees could perform the requested services and, if so, whether the Department can justifiably contract out the services. The Port contracts for professional services only when Port employees or other City employees cannot perform the work because of the limited nature of the work, peak workload obligations, lack of specific expertise, or other unusual circumstances such as mitigation of financial risk, funding or other legal requirements.

B. As-Needed Contracts: As-Needed contracts are Professional Services contracts which the Port uses for services that recur but are not consistent or predictable enough to justify full time staff. Currently the Port maintains as-needed services contracts for architecture and design services, economic analysis, environmental services, and hazardous materials disposal. Master Agreements for as-needed services are negotiated upon Contractor pre-qualification through formal, competitive RFQ processes. These agreements usually have a three-year term.

As-needed services are typically construction-related professional services, such as engineering services. Following the requirements of Administrative Code Chapter 6.64, the Port tasks contractors with individual projects through the issuance of Contract Service Orders ("CSO"). LBE subcontracting requirements may apply to each Master Agreement or for each CSO. The Port's practice is to have an overall goal for the as-needed contracts and to manage individual CSOs to ensure overall compliance.

C. Delegated Authority: To streamline the Port's contract approval process and to be consistent with the San Francisco Administrative Code and the practice of other City departments, the Port Commission has delegated the following authority to the Executive Director (Resolution 22-24):

- Contract Service Orders \$1,000,000
- Construction contracts \$1,000,000
- Professional services contracts \$200,000

Delegated authority allows the Port's Executive Director to execute and award public works and improvement and professional services CSOs and contracts at or under the threshold limits without Port Commission review and approval.

Attachment 1
Awarded Contracts, Quarters 1 and 2 Fiscal Year 2021-22

Project Title	Vendor Name	Contract Amount	LBE Sub Req %	LBE Prime Contract	Total LBE Sub Awarded	Total LBE Awarded
As-Needed						
As-Needed Technical Services for Development Projects	Hollins Consulting Inc (MBE-LBE)	\$3,000,000	20%	\$1,800,000	\$1,200,000	\$3,000,000
	Total As-Needed	\$3,000,000				
Construction						
Pier 70 Shipyard Grading	Yerba Buena Engineering & Construction (MBE-LBE)	\$1,278,299	20%	\$989,531	264,201	\$1,253,732
	Total Construction	\$1,278,299				
Professional Services						
Implementation of GASB 87	Deloitte & Touche (Non-LBE)	\$200,000	10%	\$0	\$20,000	\$20,000
Aquatic Parks Stakeholder Planning	Next Steps Marketing (WBE-LBE)	\$59,750	n/a	\$59,750	\$0	\$59,750
Testing and Re-Commissioning of Shoreside Power	Watts Marine (Non-LBE)	\$400,000	n/a	\$0	\$0	\$0
Interpretative Signage - Grant	Macchiatto (OBE-LBE)	\$40,000	n/a	\$40,000	\$0	\$40,000
Racial Equity Facilitation	M4moti Inc. DBA Opportu (WBE-LBE)	\$99,790	n/a	\$99,790	\$0	\$99,790
Grant Writing	Scola and Associates (Non-LBE)	\$75,000	n/a	\$0	\$0	\$75,000
Arbitrage Analysis	BLX Group Inc (Non-LBE)	\$50,000	n/a	\$0	\$0	\$50,000
Racial Equity Communications	David & Associates Communications Inc (MBE-LBE)	\$51,915	n/a	\$51,915		\$51,915
	Total Professional Services	\$976,455	n/a	\$251,455	\$20,000	\$396,455
Not Subject to LBE Program						
Heron's Head Shoreline	Dixon Marine Services	\$2,242,494	n/a	n/a	n/a	n/a

Awarded Contracts, Quarters 1 and 2 Fiscal Year 2021-22

Ethnicity	Number of Contracts	Prime & Subcontractor
		Contract Amount
African-American	2	\$3,051,915
Latino-American	1	\$1,278,299
Non-Minority	3	\$359,540
Ethnicity Unknown	5	\$2,967,494

Attachment 2
As Needed Annual Contracts, Fiscal Year 2021-2022

Contractor	Total Contract Amount	LBE Req %	Total Payments in FY	Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payment	Overall LBE%	Sub LBE%
1. AS NEEDED CONTRACTS									
Real Estate									
BAE URBAN ECONOMICS INC (Non-LBE)	\$750,000	13%	\$880.00	\$880.00	\$0.00	\$0.00	\$0.00	0%	0%
ECONOMIC & PLANNING SYSTEMS INC (Non-LBE)	\$750,000	13%	\$83,488.50	\$77,958.50	\$0.00	\$5,530.00	\$5,530.00	7%	7%
KEYSER MARSTON ASSOCIATES INC (Non-LBE)	\$750,000	13%	\$78,714.38	\$78,714.38	\$0.00	\$0.00	\$0.00	0%	0%
SEIFEL CONSULTING INC (LBE-WBE)	\$750,000	13%	\$116,040.30	\$7,872.80	\$76,691.50	\$31,476.00	\$108,167.50	93%	27%
Subtotal, Real Estate Services	\$3,000,000		\$279,123.18	\$165,425.68	\$76,691.50	\$37,006.00	\$113,697.50	41%	13%
Engineering & Related									
ARCADIS LOTUS WATER (JV-LBE-OBE)	\$3,000,000	20%	\$187,042.01	\$74,682.01	\$4,320.00	\$108,040.00	\$112,360.00	60%	58%
COWI OLMM JV (JV-LBE-MBE)	\$1,500,000	20%	\$77,378.52	\$59,790.52	\$0.00	\$17,588.00	\$17,588.00	23%	23%
GHD-TELAMON JV (JV-LBE-MBE)	\$1,500,000	20%	\$10,022.50	\$10,022.50	\$0.00	\$0.00	\$0.00	0%	0%
JOE HILL CONSULTING ENGINEERS (LBE-OBE)	\$1,000,000	Micro Set-Aside	\$47,556.28	\$454.03	\$31,947.50	\$15,154.75	\$47,102.25	99%	32%
MOFFATT & NICHOL & AGS JV (JV-LBE-MBE)	\$1,500,000	20%	\$73,634.00	\$73,244.00	\$390.00	\$0.00	\$390.00	1%	0%
PARSONS RJSD (JV-LBE-WBE)	\$3,000,000	20%	\$378,726.33	\$48,921.67	\$258,239.00	\$71,565.66	\$329,804.66	87%	19%
STANTEC MCGOVERN MACDONALD (JV-LBE-WBE)	\$3,000,000	18.5%	\$405,843.34	\$176,432.63	\$153,776.50	\$75,634.21	\$229,410.71	57%	19%
TERRA ENGINEERS (LBE-OBE)	\$3,000,000	18.5%	\$346,252.71	\$227,640.77	\$54,683.94	\$63,928.00	\$118,611.94	34%	18%
Subtotal ,Engineering & Related	\$17,500,000		\$1,526,455.68	\$671,188.12	\$503,356.94	\$351,910.62	\$855,267.56	56%	23%
Environmental & Related									
AEW ENGINEERING (LBE-MBE)	\$1,000,000	22%	\$30,945.78	\$743.85	\$5,406.74	\$24,795.19	\$30,201.93	98%	80%
AEW ENGINEERING (LBE-MBE)	\$2,000,000	17%	\$235,131.44	\$192,224.66	\$24,875.03	\$18,031.75	\$42,906.78	18%	8%

ESA CDIM Joint Venture (JV-LBE Prime)	\$2,000,000	12%	\$253,367.78	\$109,282.84	\$136,220.94	\$7,864.00	\$144,084.94	57%	3%
NORTHGATE & AGS (JV-LBE Prime)	\$1,000,000	12%	\$51,080.92	\$30,075.66	\$0.00	\$21,005.26	\$21,005.26	41%	41%
SCA Environmental (LBE-MBE)	\$1,000,000	12%	\$12,361.18	\$5,451.18	\$4,501.00	\$2,409.00	\$6,910.00	56%	19%
SCA Environmental (LBE-MBE)	\$2,000,000	12%	\$548,554.44	\$288,252.36	\$97,720.92	\$162,581.16	\$260,302.08	47%	30%
Subtotal, Environmental & Related	\$9,000,000		\$1,131,441.54	\$626,030.55	\$268,724.63	\$236,686.36	\$505,410.99	0.45	21%
Hazardous Materials Disposal									
CLEAN HARBORS ENVIRONMENTAL SERVICES, INC.(Non-LBE)	\$300,000	6.75%	\$269,766.88	\$269,766.88	\$0.00	\$0.00	\$0.00	0%	0%
ENVIRONMENTAL LOGISTICS (Non-LBE)	\$300,000	6.75%	\$102,374.35	\$102,374.35	\$0.00	\$0.00	\$0.00	0%	0%
SILVERADO CONTRACTORS INC (Non-LBE)	\$300,000	6.75%	\$266,445.00	\$266,445.00	\$0.00	\$0.00	\$0.00	0%	0%
Subtotal, Hazardous Materials Disposal	\$900,000		\$638,586.23	\$638,586.23	\$0.00	\$0.00	\$0.00	-	0%
Public Relations									
BONNER COMMUNICATIONS (LBE-WBE)	\$129,000	N/A	\$6,463.75	\$0.00	\$6,463.75	\$0.00	\$6,463.75	100%	0%
BONNER COMMUNICATIONS (LBE-WBE)	\$96,000	N/A	\$37,193.46	\$0.00	\$37,193.46	\$0.00	\$37,193.46	100%	0%
DAVIS & ASSOCIATES (LBE-MBE)	\$96,000	N/A	\$38,527.50	\$0.00	\$38,527.50	\$0.00	\$38,527.50	100%	0%
DAVIS & ASSOCIATES (LBE-MBE)	\$51,915	N/A	\$22,774.26	\$0.00	\$22,774.26	\$0.00	\$22,774.26	100%	0%
Subtotal, Public Relations	\$372,915		\$104,958.97	\$0.00	\$104,958.97	\$0.00	\$104,958.97	0%	0%
Total As-Needed Contracts	\$30,772,915		\$3,680,565.60	\$2,101,230.58	\$953,732.04	\$625,602.98	\$1,579,335.02	43%	17%

**Attachment 3
Construction Contracts, Fiscal Year 2021-2022**

Contractor	Description	Total Contract Amount	Total Payments in FY	Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payment	Overall LBE%	Sub LBE%
Cazadoro Construction, Inc. (LBE-WBE)	19th and Georgia St Construction	\$3,072,609	\$326,256	\$10,942	\$264,979	\$ 50,335	\$315,314	97%	15%
CF CONTRACTING INC (OBE-LBE)	Heron's Head Park Path and Electrical Improvements	\$ 1,282,769	\$714,772	\$38,040	\$206,819	\$ 469,913	\$676,732	95%	66%
WICKMAN DEVELOPMENT & CONSTRUCTION (LBE-OBE)	Crane Cove Park Renovate Bldg 49	\$ 2,213,310	\$1,907,270	\$1,197,490	-	\$ 709,779	\$709,779	37%	37%
	Total	\$ 6,568,688	\$ 2,948,297	\$1,246,473	\$471,798	\$1,230,027	\$701,825	58%	42%

**Attachment 4
Professional Service Contracts, Quarter 1 and 2 Fiscal Year 2021-2022**

Contractor	Description	Total Contract Amount	Total Payments in FY	Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payment	Overall LBE%	Sub LBE%
AECOM TECHNICAL SVC (Non-LBE)	Pier 70 Crane Cove Park Project	\$4,079,396	\$7,258	\$4,373	\$0	\$2,885	\$2,885	40%	40%
CH2M HILL ENGINEERS, INC (Non-LBE)	Seawall Resiliency Project	\$55,684,130	\$6,766,139	\$3,891,963	\$0	\$2,874,175	\$2,874,175	42%	42%
CIVIC EDGE CONSULTING LLC (PRIME LBE)	Seawall Environmental Consulting	\$1,695,205	\$53,848	\$0	\$1,430	\$52,418	\$53,848	100%	97%
Crowe LLP (Non-LBE)	Cost Allocation	\$74,985	\$17,699	\$17,699	\$0	\$0	\$0	0%	0%
ENVIRONMENTAL SCIENCE ASSOCIATES (WATERFRONT PLAN)	Environmental Review on Waterfront Land Use Plan	\$1,000,000	\$349,435	\$256,208	\$0	\$93,226	\$93,226	27%	27%
HOLLINS CONSULTING (LBE-MBE)	Technical Support Services for Pier 70 and Mission Rock Special Use Districts	\$2,400,000	\$581,096	\$0	\$475,953	\$105,144	\$581,096	100%	18%
	Total	\$64,933,716	\$7,775,474	\$4,170,243	\$477,383	\$3,127,848	\$3,605,231	46%	40%

**Attachment 5
Non-Chapter 14B Contracts Fiscal Year 2021-2022**

Contractor	Description	Non-Chapter 14B Contract Reason	Total Contract Amount	Total Payments in FY	Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payment	Overall LBE%	Sub LBE%
COCHRAN MARINE (Non-LBE)	Annual Testing & Re-commissioning Pier 27 Shore Power System	Waiver	\$280,000	\$63,460	\$63,460	\$0	\$0	\$0	0%	0%
GOODWIN CONSULTING GROUP IN (NON-LBE)	SWL337 Mission Rock - Special Tax Consultant Services	Waiver	\$99,000	\$1,674	\$1,674	\$0	\$0	\$0	0%	0%
HOLLINS CONSULTING (LBE-MBE)	Construction Management Services for Pier 45 Fire	Emergency	\$183,504	\$55,386	\$0	\$55,386	\$0	\$55,386	100%	0%
HOLLINS CONSULTING (LBE-MBE)	Construction management for jack and repair of the damaged truss at Pier 35	Emergency	\$31,473	\$31,406	\$31,406	\$0	\$0	\$0	0%	0%
LARKIN STREET YOUTH SERVICES (Non-Profit)	Youth Employment Program	Waiver	\$530,000	\$114,560	\$114,560	\$0	\$0	\$0	0%	0%
LITERACY FOR ENVIRONMENTAL JUSTICE (LBE-Non-Profit)	Grow, plant, and maintain native wetland plants at Heron's Head Park	Waiver	\$256,844	\$128,480	\$128,480	\$0	\$0	\$0	0%	0%
MACCHIATTO (LBE-WBE)	Interpretive signage program along Islais Creek	Waiver	\$78,300	\$43,050	\$0	\$43,050	\$0	\$43,050	100%	0%
NEXT STEPS MARKETING (LBE-WBE)	Aquatic Park Communication	Micro Set-Aside	\$59,750	\$10,095	\$10,095	\$0	\$0	\$0	0%	0%
POWER ENGINEERING CONSTRUCTION CO (Non-LBE)	New floating dock system at Hyde Street Harbor for the SFPD Marine unit	Federal	\$1,440,245	\$55,988	\$19,988	\$0	\$36,000	\$36,000	64%	64%
POWER ENGINEERING CONSTRUCTION CO (Non-LBE)	Pier 35 Emergency Truss Repair	Emergency	\$163,900	\$158,532	\$158,532	\$0	\$0	\$0	0%	0%
R D J ENTERPRISES LLC(LBE-MBE)	Youth Employment Program	Waiver	\$529,823	\$103,411	\$75,800	\$0	\$27,611	\$27,611	27%	27%
RICHARD ALAN FOSTER (Non-LBE)	Organizational Development	Waiver	\$95,000	\$30,000	\$30,000	\$0	\$0	\$0	0%	0%
ROSALES BUSINESS PARTNERS LLC (LBE-MBE)	Training and facilitation to staff on racial equity	Waiver	\$99,440	\$45,123	\$24,373	\$0	\$20,750	\$20,750	46%	46%
ROSALES BUSINESS PARTNERS LLC (LBE-MBE)	Racial Equity Analysis/Report and other as needed services	Below Threshold	\$35,000	\$17,609	\$17,609	\$0	\$0	\$0	0%	0%
SILVERADO CONTRACTORS INC (Non-LBE)	Demolition of Fire Damage at Pier 45 Shed C	Emergency	\$2,526,331	\$362,335	\$275,867	\$0	\$86,468	\$86,468	24%	24%
Total			\$6,408,610	\$1,221,107	\$951,842	\$98,436	\$170,829	\$269,265		

Attachment 6

Pier 70 Development Contract Awards Fiscal Year 2021-2022

Amount Awarded	\$219,868,352	Percentage
Awarded to Small & Micro LBE	\$54,178,642	24.6%
Awarded to SBA-LBE	\$8,056,093	3.7%
Awarded to Non-LBE	\$157,633,618	71.7%
LBE Award by Size	\$62,234,735	
Awarded to Micro-LBE	\$26,161,570	11.9%
Awarded to Small-LBE	\$28,017,072	12.7%
Awarded to SBA-LBE	\$8,056,093	3.7%
LBE Award by Type	\$62,234,735	
Awarded to MBE-LBE	\$18,565,288	8.4%
Awarded to WBE-LBE	\$5,780,962	2.6%
Awarded to OBE-LBE	\$37,888,485	17.2%

**Pier 70 Development Contract Awards to Minority-Owned LBEs
Fiscal Year 2021-2022**

Minority-Owned LBEs	Amount Awarded
African-American	\$5,003,671
Arab-American	\$17,000
Asian-American	\$7,577,954
Iranian-American	\$3,384,338
Latino-American	\$4,798,820
Native-American	\$320,770

Attachment 7

Mission Rock Development Contract Awards Through June 30, 2022

Amount Awarded	\$ 795,540,858	Percentage
Awarded to Small & Micro LBE	\$ 112,884,868	14%
Awarded to SBA LBE (incl. Graduated)	\$ 11,277,261	1%
Awarded to Non-LBE	\$ 671,378,728	84%
LBE Award by Size	\$ 124,162,130	Percentage
Awarded to Micro LBE	\$ 56,900,632	7%
Awarded to Small LBE	\$ 55,984,236	7%
Awarded to SBA-LBE (incl. Graduated)	\$ 11,277,261	1%
LBE Award by Type	\$ 124,162,130	Percentage
Awarded to MBE-LBE	\$ 59,168,226	7%
Awarded to WBE-LBE	\$ 26,411,668	3%
Awarded to OBE-LBE	\$ 38,582,235	5%

Mission Rock Development Contract Awards to Minority-Owned LBEs Through June 30, 2022

Minority-Owned: LBE's	Amount Awarded
African-American	\$ 29,573,239
Arab-American	\$ 6,968
Asian-American	\$ 12,691,155
Latino-American	\$ 22,444,215

Attachment 8

**Office of Economic Workforce and Development Data. Active Port Projects
January 1, 2022 - June 30, 2022**

Active Projects July 1, 2021 - June 30, 2022	Total Work Hours			Total Apprentice Hours		
	30% Requirement			50% Requirement		
	Total Hours	Local Hours	Local %	Total App Hours	Total Local App Hours	Local App %
Mission Rock Horizontal Sub (Phase 1)	38,885	8,953	23%	1,726	1,060	61%
Mission Rock Horizontal Sub (Phase 2)	355	108	30%	38	38	100%
Mission Rock Parcel A	256,260	49,723	19%	51,462	17,939	35%
Mission Rock Parcel B	112,562	32,618	29%	22,023	9,982	45%
Mission Rock Parcel F	7,147	945	13%	419	0	0%
Mission Rock Parcel G	99,609	21,412	21%	11,191	6,414	57%
PRT - 2812 - Crane Cove Park, Construction Package 2 - Park Improvements Rebid	32	0	0%	0	0	0%
PRT - 2814R Crane Cove Park Building 49 Re-Bid	1,560	675	43%	145	67	46%
FC Pier 70 Building 12	6,503	411	6%	731	53	7%
FC Pier 70 LLC Horizontal Construction	543	15	3%	0	0	0%
PRT - Joe Hill As-Needed Professional Services JH-02	24	0	0%	0	0	0%
PRT SIL-2020-04 Pier 33 Debris Removal	332	28	8%	0	0	0%
Total	524,506	114,888	22%	87,733	35,552	41%