




## MEMORANDUM

June 9, 2023

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Willie Adams, Vice President  
Hon. Gail Gilman  
Hon. Ed Harrington  
Hon. Steven Lee

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Report on Local Business Enterprise Contracting Activity for Fiscal Year (July 1, 2022 through March 31, 2023) and Workforce Compliance.

**DIRECTOR'S RECOMMENDATIONS:** Information Only – No Action Required

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### EXECUTIVE SUMMARY

This report provides the Port Commission with information on contracting activity during Quarters 1 to 3 for Fiscal Year 2022-2023 ("FY") (July 1, 2022 through March 31, 2023) and the Contract and Procurement team progress on Local Business Enterprise ("LBE") engagement and equity during the same period.

**Total Value of New Contracts subject to LBE Subcontracting Requirement: \$9.3 million (5 contracts)** During FY 2022-2023 Quarters 1-3, the Port awarded 5 contracts with a cumulative value of \$ 9,311,880. Each of the 5 contracts (100%) was awarded to an LBE prime contractor or a joint venture comprised of at least one LBE. This exceeds the Port Commission's informal policy to award a minimum of 20% of contracts to LBE primes. A total of 68% of the total value of these 5 new contracts is committed to LBE Primes and subconsultants combined.

**Total payments to active and open Port contracts subject to LBE Subcontracting Requirement and LBE Primes on all contracts: \$14.5 million including \$6.4 million (44%) to LBE Primes and LBE subcontractors.** During FY 2022-2023 Q1-3, payments

to LBE prime contractors were \$1.7 million (12%) and payments to LBE subcontractors were \$4.7 million (32%). Total payments to LBE contractors were \$6.4 million (44%).

**Port projects continue to meet Local Hire Ordinance and First Source Hiring compliance requirements.** The Port currently manages seventeen public works and private development contracts subject to the Local Hire Ordinance. The Office of Workforce and Economic Development (“OEWD”) has deemed all seventeen Port contracts compliant with this Ordinance.

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

## **BACKGROUND**

The Port engages in a variety of contractual transactions that include 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 were enjoined by the San Francisco Superior Court from enforcing certain provisions of Chapter 12D (benefits and preferences for minority and women businesses.<sup>1</sup>) 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.

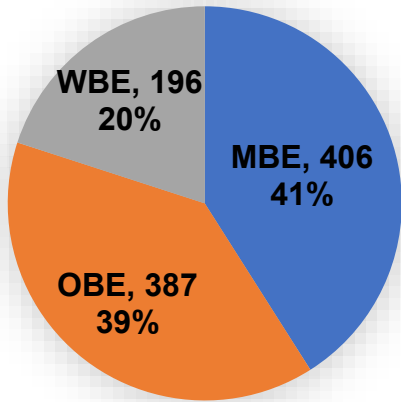
The successor ordinance to Chapter 12D is Chapter 14B, the Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance, first adopted by the Board of Supervisors in 2006. This ordinance expanded contracting opportunities and benefits for certified small San Francisco-based firms, 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 May 18, 2023 (the most recent data available from CMD) there were 989

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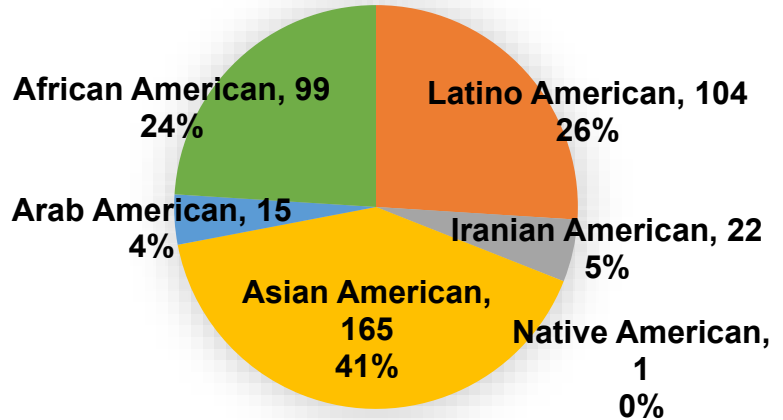
<sup>1</sup> Chapter 14B: Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance, 14.5.1.(B)(5)

certified micro and small LBE firms. Of these firms, 406 are certified LBE-MBEs. The ethnicity breakdown of all LBE-MBEs is shown in Chart 2.

**Chart 1: Certified Small and Micro LBEs as of as of May 18, 2023**



**Chart 2: Certified Micro and Small LBEs with a Minority Owner as of May 18, 2023<sup>2</sup>**



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.<sup>3</sup> 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 Requests 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.

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

<sup>3</sup> 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.

**Contract Activity Update**

During FY 2022-2023 Quarters 1-3, the Port entered into 6 new contracts. Five contracts are subject to the LBE subconsulting requirement totaling \$9,311,880. The Port awarded all 5 (100%) contracts to LBE primes or joint ventures with at least one LBE partner. The Port paid \$14,482,760 on contracts with LBE requirements and \$6,398,147 (44%) of that amount to LBEs.

**New Contracts**

As summarized in Table 1 below and detailed in Attachment 1, in FY 2022-2023 Quarters 1-3, the Port issued 6 contracts and 5 of the 6 contracts were subject to the LBE Ordinance with a cumulative value of \$9,311,880. The Port awarded all 5 (100%) contracts to LBE primes or joint ventures with at least one LBE partner. The ethnic breakdown of the primes or joint ventures for newly awarded contracts can be found in the table in Attachment 1 “Awarded Contracts (Prime and JV Partners) Quarters 1-3 Fiscal Year 2022-23.”

**Table 1. Contracts Entered from July 1, 2022-March 31, 2023.**

Type of Contracts	Total # of Contracts	Total Dollar Amount	LBE Award and Participation Amount (Prime & Subs)	
As-Needed	2	\$8,000,000	\$5,000,000	63%
Professional Services	2	\$ 149,790	\$149,790	100%
Construction	1	\$1,162,090	\$1,142,090	98%
<b>Total</b>	<b>5</b>	<b>\$9,311,880</b>	<b>\$6,291,880</b>	<b>68%</b>
<b>Non Chapter 14B (Sole Source for Art Restoration)</b>	<b>1</b>	\$30,000		

Use of Delegated Authority (\$179,790; 3 contracts): The Port entered 3 contracts totaling \$179,790 during the reporting period through the Executive Director’s Delegated Departmental Authority.

On June 20, 2022 the Port entered a \$99,790 contract with Opportu, an LBE (WBE-MBE), for Racial Equity training. The Port solicited this contract in accordance with Chapter 21.4(d)(2) through the San Francisco Office of the Controller Nonprofit Capacity Building Services prequalified list for Service Areas 4: Racial Equity Consulting Services. This contract has no LBE requirement, but 100% of the work will be performed by the LBE prime.

On September 16, 2022 the Port entered a \$50,000 contract with Sara Ellis Conant Coaching & Consulting, an LBE (WBE-MBE), for training for responsibility assignment matrix and as-needed coaching to support implementation. The Port selected Sara Ellis Conant Coaching & Consulting from firms prequalified in the Office of the Controller’s prequalified pool for stakeholder outreach services. This contract is below the threshold for an LBE requirement however 100% of the work will be completed by an LBE.

On June 24, 2022, the Port entered into a contract with Everything Good Studio LLC, a non-LBE, for \$30,000 for annual preventative maintenance and repairs and services for the Justin R. Herman Memorial Interactive Display located at Pier 27 Cruise Terminal. The Port receives a sole source waiver of solicitation requirements from the Contract Monitoring Division because of the proprietary nature of the artwork and related software.

*Port Commission Approved (\$9.2 million: 3 contracts)* The Port Commission awarded three contracts valued at \$9,162,090 subject to the LBE subconsulting requirement during the reporting period. All contracts were issued through formal contracting guidelines under Administrative Code Chapters 6, 21, and/or 14B.

On December 13, 2022, the Port Commission awarded a \$4,000,000 contract to Moffatt & Nichol OLMM Joint Venture to provide as-needed engineering and related professional services. Moffatt & Nichol OLMM JV qualified for the 7.5% rating bonus because joint venture partner OLMM is an LBE. The team exceeded the 20% LBE requirement by committing 31.50% of the contract value to 16 LBEs.

On December 13, 2022, the Port Commission awarded a \$4,000,000 contract to COWI-TECI Joint Venture (TECI is an LBE) to provide as-needed engineering and related professional services. COWI-TECI JV qualified for the 7.5% rating bonus because of the LBE joint venture partnership participation. The team exceeded the LBE requirement by committing 22.50% of the contract value to 20 LBEs.

On June 14, 2022, the Port Commission awarded a \$1,162,090.00 low-bid contract to Yerba Buena Engineering and Construction, Inc, an LBE (MBE-LBE), for Pier 70 Shipyard Grading and Abatement. Yerba Buena Engineering and Construction qualified for a 10% bid discount because of its LBE status as Prime. This contract has a 20% LBE subcontracting requirement.

### **Contract Payments**

Port contract payments totaled \$14,482,760 for contracts subject to the LBE subconsulting requirement. LBE firms were paid \$6,398,147 (44%), including \$1,695,248 (12%) to LBE primes contractors and \$4,702,898 (32%) 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, 2022 – March 31, 2023**

	<b>Total Payments in FY</b>	<b>Total Non-LBE</b>	<b>LBE Prime Payments</b>	<b>LBE Sub Payments</b>	<b>Total LBE Payment</b>	<b>Overall LBE%</b>
As Needed Contracts	\$10,607,797	\$5,754,155	\$903,459	\$3,950,222	\$4,853,682	46%
Construction	\$3,722,314	\$2,190,574	\$791,789	\$730,951	\$1,522,740	41%
Professional Services (Not as needed)	\$152,649	\$130,924	\$0	\$21,725	\$21,725	14%
<b>TOTAL</b>	<b>\$14,482,760</b>	<b>\$8,075,653</b>	<b>\$1,695,248</b>	<b>\$4,702,898</b>	<b>\$6,398,147</b>	<b>44%</b>

**As Needed Contracts:** The Port managed 26 as-needed contracts that received \$10,607,797 in payments FY 2022-2023 Q 1-3. As detailed in Attachment 2, LBE contractors received \$4,853,682 (46%) of all as-needed contract payments.

- Real Estate – Payments made on the as-needed real estate contracts during the reporting period totaled \$153,237, with 14% of such payments (or \$22,039) paid to LBEs. All contracts are set to meet or exceed the 13% LBE subconsulting requirement by contract close-out.
- Engineering – Payments made on the as-needed engineering contracts during the reporting period totaled \$9,503,448, with 48% of such payments (\$4,531,260) paid to LBEs.
- Environmental and Planning Services – Payments made on the as-needed environmental services contracts during the reporting period totaled \$875,604., with 34% of such payments (or \$300.382) being paid to LBE consultants.
- Hazardous Waste – Payments made on the as-needed hazardous materials disposal contracts during the reporting period totaled \$75,509. There were no payments made to LBE in this period as the LBE scopes of work were not used.
- Communications – All active Port communications contracts are Micro Set-Asides and thus not subject to the LBE subconsulting requirement. Payments made on these as-needed Micro Set-Aside contracts during the reporting period totaled \$33,437, with 100% of such payments paid to LBEs.

**Construction Contracts.** During the reporting period, the Port managed five contracts with LBE requirements. As detailed in Attachment 3, LBE contractors received \$1,522,740 (41%) in total payments.

- Heron’s Head Park Path and Electrical Improvements: This project is being completed by CF Contracting (LBE-OBE). The LBE requirement was 20% and 100% of payments were made to LBE subcontractors during FY 22-23 Q1-3.

- **Maintenance Dredging:** This project is being performed by Dixon Marine Services. There is no LBE requirement, however, 13% of the work is being performed by LBEs.
- **Crane Cove Park 2:** This project is being completed by Gordon N Ball. The LBE requirement is 21% and there were no payments made on this contract in FY 22-23 Q 1-3.
- **Crane Cove Park Building 49:** This project is being completed by Wickman Development and Construction (LBE-OBE). The LBE requirement is 20% and 33% of payments went to LBE subcontractors during FY 22-23 Q1-3.
- **Pier 70 Shipyard Grading and Abatement:** This project is being completed by Yerba Buena Engineering & Construction Inc (LBE-OBE). The LBE requirement is 20% and 92% of payments went to LBE subcontractors during FY 22-23 Q 1-3.

Professional Services Contracts. During the reporting period, the Port managed two professional services projects governed by the LBE ordinance. As detailed in Attachment 4, LBE contractors received \$21,725 (14%) in total payments during the reporting period.

- *Cost Allocation:* This project is being completed by Crowe LLP, a non-LBE firm. The LBE requirement is 10% and there were no payments to LBE subcontractors during the period. The Contract Monitoring Division has informed the Port that they are working with Crowe LLP to monitor and ensure 14B compliance.
- *Waterfront Land Use Plan and Environmental Review:* The environmental review of the Waterfront Plan is led by Environmental Science Associates, a non-LBE firm. The contract has an 18% LBE goal and 23% of payments were made to LBE subconsultants.

Exempt Contracts. The Port has 19 contracts that do not have LBE subcontracting requirements because they are Micro Set-Aside contracts, CMD waived the requirements, or they are exempt because of their size. 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.

### **Port Development Agreements**

The Port manages two development projects at Pier 70 and Mission Rock. While these development projects 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.

Pier 70: The Pier 70 project led by Brookfield has a 17% LBE participation goal. Attachment 6 outlines the contracts awarded through FY 2022-2023 through Quarter 3. Through the project, Pier 70 has awarded \$219.9 million in contracts, of which \$62.7

million (29%) has been awarded to the three threshold sizes for LBEs including micro, small, or SBA-LBEs.

Mission Rock: The Mission Rock Development Project led by Mission Rock Development Partners has a 10% LBE subconsulting participation goal for pre-construction work and a 20% LBE subcontracting participation goal for construction. Attachment 7 shows Mission Rock has awarded \$845.6 million in contracts during the reporting period, of which \$140.7 million (17.0%) has been awarded to micro, small, or SBA-LBEs.

### **Compliance with Local Hire and First Source Hiring 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(Chapter 82 of the San Francisco Administrative Code) requires contractors and their subcontractors to attain a minimum of 30% work hours by trade per project using San Francisco residents.<sup>4</sup> 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 First Source Hiring requirement applies to projects where (a) Local Hire is not required, (b) are advertised after 1998, and (c) are City funded with a value of at least \$50,000 (Chapter 83 of the San Francisco Administrative Code, as amended). The OEWD team is working with Port staff to create a more consistent way of creating employment opportunities on Port professional services contracts.

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.

## **OUTREACH AND COMMUNITY ENGAGEMENT**

In addition to the 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 2022 - All funds from the Port of San Francisco Micro LBE Emergency Relief Program have been deployed. This marker notes that we successfully assisted 27 LBEs with low interest loans to aid in their recovery due to the impacts of the 2019 COVID Pandemic.

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<sup>4</sup> Local Hire Requirements increased from 20% to 25% on applicable contracts solicited after March 2012, and to 30% for contracts solicited after March 2013.



July 2022 and ongoing – Contracts and Procurement team continues to host LBE drop-in hours. During FY 22/23, staff met with 14 firms on a range of challenges, concerns and encourages our contracts community to leverage staff as a resource.

September and November 2022 – The Port in partnership with the Northern California Procurement Technical Assistance Center co-hosted two technical assistance workshops targeted at the unique challenges and growth opportunities for LBEs. These webinars combined have over 2,500 views. NorCal PTAC has become a trusted partner that staff often refers LBEs to for additional business development and support.

October 2022 – Contracts and Procurement Team continues to seek out opportunities to network and make ourselves available to the small business community. Port staff was invited and attended a supplier diversity mixer hosted by BuildOut California.

March 2023 – Finally returning to in person, the Port welcomed over 275 participants to our 6<sup>th</sup> Annual Contract Open House. The event was hosted at the Justin R. Herman Cruise Ship Terminal at Pier 27. The Women in Construction panel was phenomenal and our keynote speaker, Assessor Recorder Joaquin Torres charged us to support and uplift the small business community with renewed vigor. The event received positive feedback including, one statement from a LBE stating, “there feels like real opportunity in here today”.

**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

**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.

### **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.

### **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 have simplified and streamlined the RFQ/P response process to 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.

### **Inclusion of Diversity, Equity and Inclusion 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 diversity, equity and inclusions plans as useful tools to create fairness for all and the distribution of opportunity. The Port has included a scored question to determine if the respondent does or does not have a racial equity action plan. A respondent could have been awarded one point for having a racial equity action plan and zero points for respondents with no plans. These proposals are being evaluated for content and quality. Port staff will work with ORE to determine how to advance the practice and implementation of racial equity action plans for City stakeholders.

### **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 believes a more effective strategy with benefits to both the City and the contracting community is, at the conclusion of a competitive process that has resulted in the award of contracts, to create 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 Port 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.

### **Panelists Instructions to Reduce Implicit Bias in Grading**

The Port relies on panelists comprised of experts to grade written proposals and proposer answers in oral interviews. In addition to working with the Contract Monitoring Division to review the expertise, gender, and ethnic make-up of the Panel, the Port has included in the instructions to panelists to be aware of how implicit bias may appear in the grading process and to grade on quality of information being presented and not the characteristics of the person giving the information such as their perceived gender, race, sexuality, and abilities.

### **First Source Hiring Check-Ins**

The Port is working with the First Source Hiring team to create regular check-ins with professional services contractors to remind them of their obligation to advertise internships and entry level hiring opportunities through the First Source Hiring system. Historically, consultants would only report anticipated hiring opportunities at contract award.

### **Changes to City-Wide Customer Data Across Departments**

Per the 2019 Office of Racial Equity Legislation, the City is engaging in a multi-year project that aims to comprehensively collect race, ethnicity, and gender data from the City's contractors. As this information becomes available, the Port will have the opportunity to assess the data on our contracts to inform more equitable and inclusive procurement process. Phase I of this data collection will be launched on June 21, 2023 to request information from existing and new suppliers who are sole proprietors and single-member LLCs. We can expect to be able to run reports with this data by the end of FY 2023-2024.

## CONCLUSION

In the FY 2022-2023 Quarters 1-3, the Port exceeded its policy to award a minimum of 20% of contracts to LBE firms by awarding 100% of its contracts subject to the LBE Ordinance to LBE prime contractors. The Port made payments of \$6.4 million (44%) of its 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 2022-2023 Q1-3  
Attachment 2: As-Needed Contracts Fiscal Year 2022-2023 Q1-3  
Attachment 3: Construction Contracts Fiscal Year 2022-2023 Q1-3  
Attachment 4: Professional Service Contract Fiscal 2022-2023 Q1-3  
Attachment 5: Non-Chapter 14-B Contracts, Fiscal Year 2022-2023 Q1-3  
Attachment 6: Pier 70 Development LBE Participation  
Attachment 7: Mission Rock LBE Participation  
Attachment 8: LCP Tracker Certified Payroll Data, July 1, 2022 – March 31, 2023

## **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 1-3 Fiscal Year 2022-23**

Project Title	Vendor Name	Contract Amount	LBE Sub Requirement	Anticipated LBE Prime Participation	Anticipated Total LBE Sub Participation	Anticipated Total LBE Participation
<b>As-Needed</b>						
As Needed Engineering and Related Professional Services	Moffatt & Nichol OLMM JV	\$4,000,000.00	20%	\$1,000,000.00	1,600,000.00	\$2,600,000.00
As Needed Engineering and Related Professional Services	COWI - TECI JV	\$4,000,000.00	20%	\$1,200,000.00	1,200,000.00	\$2,400,000.00
<b>Professional Services</b>						
Racial Equity Training and Facilitation	OPPORTU	\$99,790.00	Waived	\$99,790.00	\$0	\$99,790.00
Training for Responsibility Assignment Matrix and As-Needed Coaching	SARA ELLIS CONANT COACHING & CONSULTING	\$50,000.00	N/A	\$50,000.00	\$0	\$50,000.00
<b>Construction</b>						
PRT CT2843 P70 Shipyard Grading	YERBA BUENA ENGINEERING & CONSTRUCTION INC.	\$1,162,090.00	20%	\$907,090	\$235,000	\$1,142,090

<b>No LBE Subconsulting Requirement</b>		
Annual Preventative Maintenance and Repairs and Services for the Justin R. Herman Memorial Interactive Display located at Pier 27 Cruise Terminal	Everything Good Studio (Non-LBE)	Total Contract Dollar Amount: \$30,000

<b>Port Awarded Contracts (Prime and JV Partners) Quarters 1-3 Fiscal Year 2022-23</b>		
<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Contract Amount<sup>5</sup></b>
Latino American	1	\$1,162,090.00
Asian American	2	\$8,000,000
<b>Unknown</b>	3	\$8,179,790.00

<sup>5</sup> Joint Venture Partners are listed separately where applicable. Contract totals may be duplicated.

**ATTACHMENT 2  
As-Needed Contracts Fiscal Year 2022-2023 Q1-3**

Contractor	Total Contract Amount	Description	Total Payments in FY 22-23 Q 1-3	Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payment	Overall LBE%	Sub LBE%
<b>1. AS NEEDED CONTRACTS</b>									
<b>Real Estate</b>									
<b>BAE URBAN ECONOMICS INC (Non-LBE)</b>	750,000.00	As-Needed Professional Service Contract	68,604.00	68,604.00	-	-	-	0%	0%
<b>ECONOMIC &amp; PLANNING SYSTEMS INC (Non-LBE)</b>	750,000.00	As-Needed Professional Contract Services	12,703.75	12,703.75	-	-	-	0%	0%
<b>KEYSER MARSTON ASSOCIATES INC (Non-LBE)</b>	750,000.00	As-Needed Professional Contract Services	11,639.75	11,639.75	-	-	-	0%	0%
<b>SEIFEL CONSULTING INC (LBE-WBE)</b>	750,000.00	As-Needed Professional Contract Services	60,289.00	38,250.00	14,869.00	7,170.00	22,039.00	37%	12%
<b>Subtotal, Real Estate Services</b>	<b>3,000,000.00</b>		<b>153,236.50</b>	<b>131,197.50</b>	<b>14,869.00</b>	<b>7,170.00</b>	<b>22,039.00</b>	<b>14%</b>	<b>5%</b>
<b>Engineering &amp; Related</b>									
<b>ARCADIS LOTUS WATER</b>	3,000,000.00	As-needed Engineering and Professional Services	24,946.45	11,945.45	-	13,001.00	13,001.00	52%	52%
<b>CH2M HILL ENGINEERS, INC (Non-LBE)</b>	55,684,130.00	Seawall Resiliency Project	7,603,288.11	4,606,800.67	-	2,996,487.44	2,996,487.44	39%	39%
<b>Dabri, Inc.</b>	1,000,000.00	As-needed Engineering and Professional Services	46,112.00	46,112.00	-	-	-	0%	0%
<b>Joe Hill Consulting Engineers</b>	1,000,000.00	As-needed Engineering and	555,257.42	75.00	379,084.41	176,098.01	555,182.42	100%	32%

		Professional Services							
<b>MOFFATT &amp; NICHOL AND AGS JV</b>	1,500,000.00	As-needed Engineering and Professional Services	-	-	-	-	-	0%	0%
<b>Moffatt &amp; Nichol OLMM JV</b>	4,000,000.00	As-needed Engineering and Professional Services	-	-	-	-	-	0%	0%
<b>PARSONS RJSD</b>	3,000,000.00	As-needed Engineering and Professional Services	269,369.84	47,715.74	73,822.25	147,831.85	221,654.10	82%	55%
<b>HOLLINS CONSULTING</b>	2,400,000.00	As-Needed Technical Support Services for Pier 70 and Mission Rock Special Use Districts	288,885.37	-	181,496.06	107,389.31	288,885.37	100%	37%
<b>HOLLINS CONSULTING</b>	3,000,000.00	As-Needed Technical Support Services for Pier 70 and Mission Rock Special Use Districts	201,672.52	-	88,119.43	113,553.09	201,672.52	100%	56%
<b>STANTEC MCGOVERN MACDONALD</b>	3,000,000.00	As-needed Engineering and Professional Services	97,401.02	29,773.63	-	67,627.39	67,627.39	69%	69%
<b>TERRA ENGINEERS</b>	3,000,000.00	As-needed Engineering and Professional Services	416,515.28	229,765.05	17,966.04	168,784.19	186,750.23	45%	41%
<b>Subtotal ,Engineering &amp; Related</b>	<b>80,584,130.00</b>		<b>9,503,448.01</b>	<b>4,972,187.54</b>	<b>740,488.19</b>	<b>3,790,772.28</b>	<b>4,531,260.47</b>	<b>48%</b>	<b>40%</b>
<b>Environmental &amp; Related</b>									



<b>AEW ENGINEERING (Prime LBE)</b>	1,000,000.00	As-Needed Environmental & Related	8,434.50	5,863.66	2,570.84	-	2,570.84	30%	0%
<b>AEW ENGINEERING (Prime LBE)</b>	2,000,000.00	As-Needed Environmental & Related	257,370.03	218,924.13	25,892.48	12,553.42	38,445.90	15%	5%
<b>COWI - TECI JV</b>	4,000,000.00	As-Needed Environmental & Related	-	-	-	-	-	0%	0%
<b>ESA CDIM Joint Venture (JV-LBE Prime)</b>	2,000,000.00	As-Needed Environmental & Related	227,062.41	161,041.51	62,840.90	3,180.00	66,020.90	29%	1%
<b>NORTHGATE &amp; AGS (JV-LBE Prime)</b>	1,000,000.00	As-Needed Environmental & Related	93,962.90	56,534.30	-	37,428.60	37,428.60	40%	40%
<b>SCA Environmental (LBE-MBE)</b>	1,000,000.00	As-Needed Environmental & Related	21,679.92	5,576.42	6,446.00	9,657.50	16,103.50	74%	45%
<b>SCA Environmental (LBE-MBE)</b>	2,000,000.00	As-Needed Environmental & Related	267,093.78	127,281.20	50,351.83	89,460.75	139,812.58	52%	33%
<b>Subtotal, Environmental &amp; Related</b>	<b>13,000,000.00</b>		<b>875,603.54</b>	<b>575,221.22</b>	<b>148,102.05</b>	<b>152,280.27</b>	<b>300,382.32</b>	<b>34%</b>	<b>17%</b>
<b>Hazardous Materials Disposal</b>									
<b>Clean Harbors Environmental Services, Inc.</b>	300,000.00	As-needed Hazardous Waste Support	30,171.75	30,171.75	-	-	-	0%	0%
<b>Environmental Logistics</b>	300,000.00	As-needed Hazardous Waste	45,337.40	45,337.40	-	-	-	0%	0%
<b>Subtotal, Hazardous Materials Disposal</b>	<b>600,000.00</b>		<b>75,509.15</b>	<b>75,509.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Total As-Needed Contracts</b>	<b>97,184,130.00</b>		<b>\$10,607,797.20</b>	<b>\$5,754,115.41</b>	<b>\$903,459.24</b>	<b>\$3,950,222.55</b>	<b>\$4,853,681.79</b>	<b>46%</b>	<b>37%</b>

**ATTACHMENT 3**  
**Construction Contracts, Fiscal Year 2022-2023 Q 1-3**

<b>2. CONSTRUCTION CONTRACTS</b>									
<b>14B Contracts</b>			<b>Total Contract Amount</b>	<b>Description</b>	<b>Total Payments in FY</b>	<b>Total Non-LBE</b>	<b>LBE Prime Payments</b>	<b>LBE Sub Payments</b>	<b>Total LBE Payment</b>
<b>CF CONTRACTING INC</b>	1,282,769.00	Heron's Head Park Path and Electrical Improvements	19,845.00	-	1,804.54	18,040.46	19,845.00	100%	91%
<b>Dixon Marine Services Inc.</b>	2,269,848.17	Maintenance Dredging	2,083,240.63	1,809,184.43	-	274,056.20	274,056.20	13%	13%
<b>GORDON N BALL</b>	19,525,304.00	Crane Cove Park 2	-	-	-	-	-	0%	0%
<b>WICKMAN DEVELOPMENT &amp; CONSTRUCTION</b>	2,477,307.00	Crane Cove Park Renovate Bldg 49	570,037.30	381,389.75	-	188,647.55	188,647.55	33%	33%
<b>YERBA BUENA ENGINEERING &amp; CONSTRUCTN INC</b>	1,162,090.00	Pier 70 Shipyard Grading and Abatement.	1,049,191.20	-	789,984.49	250,206.71	1,049,191.20	92%	0%
<b>Subtotal, 14B Contracts</b>	<b>26,717,318.17</b>		<b>3,722,314.13</b>	<b>2,190,574.18</b>	<b>791,789.03</b>	<b>730,950.92</b>	<b>1,522,739.95</b>	<b>41%</b>	<b>20%</b>

**ATTACHMENT 4**  
**Professional Service Contracts, Quarter 1-3 Fiscal Year 2022-2023**

3. PROFESSIONAL SERVICES CONTRACTS (NOT AS NEEDED)									
Contractor	Total Contract Amount	Description	Total Payments in FY	Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payment	Overall LBE%	Sub LBE%
<b>14B Contracts</b>									
Crowe LLP	74,985.00	Cost Allocation	57,280.00	57,280.00	-	-	-	0%	0%
ENVIRONMENTAL SCIENCE ASSOCIATES (WATERFRONT PLAN)	1,000,000.00	Environmental Review on Waterfront Land Use Plan	95,369.25	73,644.25	-	21,725.00	21,725.00	23%	23%
<b>Subtotal, 14B Contracts</b>	<b>1,000,000.00</b>		<b>\$152,649.25</b>	<b>\$130,924.25</b>	<b>\$0.00</b>	<b>\$21,725.00</b>	<b>\$21,725.00</b>	<b>14%</b>	<b>14%</b>

**ATTACHMENT 5**  
**Contracts with no LBE Subconsulting Requirements Fiscal Year 2022-2023 Q 1-3**

4. Professional Services Contracts without LBE Subconsulting Requirements									
Contractor	Total Contract Amount	Description	Total Payments in FY	Total Non-LBE	LBE Prime Payments	LBE Sub Payments	Total LBE Payment	Overall LBE%	Sub LBE%
<b>No 14B Sub Requirement</b>									
<b>BLX GROUP LLC</b>	\$50,000.00	SWL337 Mission Rock - Special Tax Consultant Services	-	-	-	-	-	0%	0%
<b>GOODWIN CONSULTING GROUP IN (Non-LBE)</b>	\$99,000.00	SWL337 Mission Rock - Special Tax Consultant Services	-	-	-	-	-	0%	0%
<b>Larkin Street Youth Services</b>	\$530,000.00	Youth Employment Program	77,047.00	77,047.00	-	-	-	0%	0%
<b>Literacy for Environmental Justice</b>	\$256,844.00	Grow, plant, and maintain native wetland plants at Heron's Head Park	68,559.28	68,559.28	-	-	-	0%	0%
<b>Macchiatto</b>	\$78,300.00	Design services and design construction support for interpretive signage program along Islais Creek	32,250.00	-	32,250.00	-	32,250.00	100%	0%
<b>Macchiatto</b>	\$40,000.00	Design services and design construction support for interpretive signage program along Islais Creek	33,910.00	-	33,910.00	-	33,910.00	100%	0%

<b>Next Steps Marketing</b>	\$59,750.00	PRT-Aquatic Pk Communication	30,195.50	30,195.50	-	-	-	0%	0%
<b>OPPORTU</b>	\$99,790.00	Racial Equity Training	98,030.86	-	98,030.86	-	98,030.86	100%	0%
<b>R D J Enterprises LLC</b>	\$529,823.00	Youth Employment Program	90,091.52	90,091.52	-	-	-	0%	0%
<b>RICHARD ALAN FOSTER</b>	\$95,000.00	Organizational Development	-	-	-	-	-	0%	0%
<b>ROSALES BUSINESS PARTNERS LLC</b>	\$35,000.00	Racial Equity Analysis/Report and other as needed services	-	-	-	-	-	0%	0%
<b>Sara Ellis Conant Coaching</b>	\$50,000.00	RACI Matrix Training & Coaching	-	-	-	-	-	0%	0%
<b>Everything Good Studio</b>	\$30,000.00	Art Restoration and Maintenance	-	-	-	-	-	0%	0%
<b>Public Relations (No LBE Sub Requirement)</b>									
<b>Bonner Communications (Prime LBE)</b>	129,000.00	As-Needed Public Relations, Communications, and Media Services	-	-	-	-	-	0%	0%
<b>Bonner Communications (Prime LBE)</b>	96,000.00	As-Needed Public Relations, Communications, and Media Services	11,156.25	7,656.25	3,500.00	-	3,500.00	31%	0%
<b>DAVIS &amp; ASSOCIATES (Prime LBE)</b>	129,000.00	As-Needed Public Relations, Communications, and Media Services	-	-	-	-	-	0%	0%
<b>DAVIS &amp; ASSOCIATES (Prime LBE)</b>	96,000.00	As-Needed Public Relations, Communications, and Media Services	8,077.50	-	8,077.50	-	8,077.50	100%	0%

<b>DAVIS &amp; ASSOCIATES (Prime LBE)</b>	51,915.00	Design and layout services for the departmental Racial Equity Action Plan	21,859.26	-	21,859.26	-	21,859.26	100%	0%
<b>Professional Services (No LBE Sub Requirement)</b>									
<b>BACKSTROM MCCARLEY BERRY &amp; CO LLC</b>	100,000.00	Fund Balance Research	-	-	-	-	-	0%	0%
<b>Deloitte &amp; Touche, LLP</b>	199,712.00	Port GASB87 Implementation	199,712.00	199,712.00	-	-	-	0%	0%
<b>Subtotal, Non-14B Contracts</b>	<b>1,953,507.00</b>		<b>430,084.16</b>	<b>265,893.30</b>	<b>164,190.86</b>	<b>-</b>	<b>164,190.86</b>	<b>38%</b>	<b>38%</b>
<b>Total Professional Services Contracts with no LBE Sub requirement</b>	<b>2,953,507.00</b>		<b>582,733.41</b>	<b>396,817.55</b>	<b>164,190.86</b>	<b>21,725.00</b>	<b>185,915.86</b>	<b>32%</b>	<b>4%</b>

## ATTACHMENT 6

### Pier 70 Development Contract Awards Through Quarter 2 Fiscal Year 2022-2023 (December 2022)

Amount Awarded	\$219,960,221	Percentage
Awarded to LBEs (Small & Micro LBE)	\$54,693,219	24.9%
Awarded to LBE (incl SBA-LBE)	\$62,749,312	28.5%
Awarded to Non-LBE	\$157,210,909	71.5%
LBE Award by Size	\$62,114,689	
Awarded to Micro-LBE	\$26,709,634	12.1%
Awarded to Small-LBE	\$27,983,585	12.7%
Awarded to SBA-LBE	\$7,421,469	3.4%
LBE Award by Type	\$62,114,689	
Awarded to MBE-LBE	\$18,478,728	8.4%
Awarded to WBE-LBE	\$5,780,962	2.6%
Awarded to OBE-LBE	\$37,854,999	17.2%

### Pier 70 Development Contract Awards to Minority-Owned LBEs Fiscal Year 2022-2023 by Quarter 2

LBE (by Ethnicity)	Total Project Award through Q2-2022
African America	\$5,551,635
Arab-American	\$17,000
Asian American	\$7,577,954
Iranian-American	\$3,384,338
Latino-American	\$4,798,820
Native-American	\$320,770
<b>Total Minority-Owned LBE</b>	<b>\$21,102,553</b>

## ATTACHMENT 7

### Mission Rock Development Contract Awards Through Q3 2022

Amount Awarded	\$ 845,574,047.21	Percentage
Awarded to Small & Micro LBE	\$ 128,904,380	16%
Awarded to SBA LBE (incl. Graduated)	\$ 11,768,159	1%
Awarded to Non-LBE	\$ \$704,901,508	83%
LBE Award by Size	\$ 140,672,539.34	Percentage
Awarded to Micro LBE	\$ 68,396,995	8%
Awarded to Small LBE	\$ 60,507,386	7%
Awarded to SBA-LBE (incl. Graduated)	\$ 11,768,159	1%
LBE Award by Type	\$ 140,672,539.34	Percentage
Awarded to MBE-LBE	\$ 64,907,307	8%
Awarded to WBE-LBE	\$ 27,584,656	3%
Awarded to OBE-LBE	\$ 48,180,576	6%

### Mission Rock Development Contract Awards to Minority-Owned LBEs Through 3Q 2022

Minority-Owned: LBE's	Amount Awarded
African-American	\$ 30,269,019
Arab-American	\$ 6,968
Asian-American	\$ 13,786,193
Latino-American	\$26,510,848



## ATTACHMENT 8

### LCP Tracker Certified Payroll Data, July 1, 2022 – March 31, 2023

#### Active Port Projects Hours performed during FY 2022-23 Quarters 1-3 (January 1, 2022 – March 31, 2023)

Active Projects July 1, 2021 - June 30, 2022	Total Work Hours FY 22-23			Total Apprentice Hours FY 22-23		
	30% Requirement			50% Requirement		
	Total Hours	Local Hours	Local %	Total App Hours	Total Local App Hours	Local App %
Mission Rock Horizontal Sub (Phase 1)	65,144	14,689	23%	81,913.3	5,155	6.29%
Mission Rock Horizontal Sub (Phase 2)	0	0	0%	0	0	0%
Mission Rock Parcel A	337,504	75,783	22%	208.704	36,156	17%
Mission Rock Parcel B	180,789	45,192	25%	22,023	9,982	45%
Mission Rock Parcel F	119,705	18,768	16%	164,715	30,271	18%
Mission Rock Parcel G	70,766	13,980	20%	75,593	12,546	17%
PRT - 2812 - Crane Cove Park, Construction Package 2 - Park Improvements Rebid	0	0	0%	0	0	0%
PRT - 2814R Crane Cove Park Building 49 Re- Bid	23	11	48%	23	7.5	34%
FC Pier 70 Building 12	1,114	49	4%	1,114	102	9%
FC Pier 70 LLC Horizontal Construction	294	0	0%	294	0	0%
FC Pier 70 Interim BMP Work	2,192	720	34%	2,102	0	0%
PRT - 2843 Pier 70 Grading and Abatement	4,253	1,519	36%	4,253	151	4%
PRT - 2795 Heron's Head Park Path & Electrical Improvements	10	10	100%	10	5	50%
PRT - Joe Hill As-Needed Professional Services JH-03	1,281	0	0%	1,783	0	0%
PRT - Joe Hill As-Needed Professional Services JH-04	405	112	28%	405	0	0%
PRT - Joe Hill As-Needed Professional Services JH-05	67	4	6%	67	8	12%
PRT - Terra CSO TA-17	318	318	100%	318	0	0%
<b>Total</b>	<b>727,079</b>	<b>171,155</b>	<b>24%</b>	<b>359,369</b>	<b>95,250</b>	<b>27%</b>