

San Francisco Office of the City Administrator

LBEAC Director's Report

August 1, 2024

Agenda

1) Introduce CMD Compliance Manager:

- Vivian Liu (Public Works, Rec and Park, Port)

2) In Process: OMB Changing Guidance to Federal Grantees

3) Delivered: Updated CMD Attachments
Prop Q Threshold Increase

4) Legislative/Policy Update

In Process: OMB Changing Guidance for Federal Grantees

The Office of Federal Financial Management, Office of Management and Budget (OMB) is revising its Uniform Grants Guidance. Implementation instructions have not yet been published.

Resource: [White House Press Release](#)



Why does this matter?



- OMB sets the requirements for its grantees (like the City) in how they can use federal funds.
- Specifically, **current** federal grants have an explicit prohibition on local geographic preference programs.
- The OMB guidance is what prohibits 14B on federally funded contracts.

In Process: OMB Changing Guidance for Federal Grantees

What is OMB doing?

OMB is updating the guidance to:

- Reduce unnecessary compliance costs.
- Remove barriers to entry.
- Ensure assistance serves intended communities. The section prohibiting geographic preference in the selection process has been removed from OMB's guidance.

Will this mean 14B applies to federal contracts?

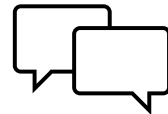
[We are figuring this out.](#) City, Departments, and CMD are awaiting the publication of the OMB implementation guidance.

There is a lot to learn as each Federal Agency has its own approach to the OMB guidance. We are at the early stages of understanding how this will impact the City and are actively monitoring this development.

In Process: OMB Changing Guidance for Federal Grantees

What does this mean for projects going out now?

- **It's complicated.** This is a period of uncertainty as the Federal Agencies, the City, and CMD are not sure what will be permitted.
- City projects are making a case-by-base assessment of how to move forward. Projects are **assuming risk of non-compliance with the unclear federal guidance.** CMD is part of the conversation.
- CMD looks for LBE voices to provide community lens to plan for the future.



Update 2: Prop Q Threshold Raised to \$20,000

What is this?

- “Prop Q” is a type of purchasing authority that allows City departments to buy certain commodities and general services through a simplified process.
- The Office of Contract Administration (OCA) and Government Operations Recovery Team (Gov Ops) updated the Chapter 21 Rules & Regulations to raise the Prop Q threshold to \$20k.

Implementation:

- *City-staff facing:* With the increased threshold, OCA and Gov Ops issued additional guidance and trained 600+ City staff on purchasing from LBEs (particularly Micro LBEs) whenever practical.
- *LBE facing:* This is also an opportunity for CMD to help better position LBEs for “Prop Q” purchases. CMD is doing outreach push to Commodity Suppliers and General Services firms to be Equal Benefits Compliant so that City Purchasers can use LBEs more easily.
- *Forward looking:* CMD working to provide LBE Equal Benefits Compliance information from LBE Directory.

Impact:

Greater potential LBE utilization for Prop Q purchases.

Legislative/Policy Update

Regional Bond Measure

[Measure 4](#) Bay Area Housing Finance Authority (BAHFA) includes \$20 billion bonds to be used towards affordable housing. Some portion will go to San Francisco.

San Francisco

[File 240501](#) is an Ordinance for Vision Zero Transportation projects. It is still in Committee. It was amended to have Chapter 14B apply to these projects.

[File 240366](#) amends the Administrative Code to authorize City Departments to use cooperative purchasing for public works contracts. This was approved.

[File 240549](#) is a proposed Charter amendment to create the Inspector General in the Controller's Office.

[File 240547](#) is a proposed Charter amendment to establish the Commission Streamlining Task Force.

Board of Supervisors in recess until September 3, 2024.

Opportunity

DPW has advertised the [Transbay Block 3 Park and Infrastructure Project Phase 1](#) (Sourcing ID 0000009560) for the Office of Community Investment and Infrastructure (OCII). Bids are due August 14, 2024.

This is a State funding source with a 50% SBE goal. OCII is encouraging first consideration of District 10 LBEs, then SF LBEs, then SBEs outside SF.



Questions?