

**San Francisco Office of the City Administrator**

# LBEAC Director's Report

December 5, 2024

# Agenda

## 1) CMD Delivers

- CAPP Program Extended
- LBE Paper Applications Updated

## 2) Announcements

- Mandated Code Updates and Expedited Process for LBE Threshold Checks through June 30, 2025.
- RSVP for CMD Affordable Housing Mixer
- Mentor-Protégé Program for TIDA

# CMD Delivers 1: CAPP Expansion

Contractor Accelerated Payment Program (CAPP) was authorized in 2019 to provide invoice-based financing on City projects. Pilot was authorized for 5 years.

San Francisco Community Investment Fund (SFCIF) Board has voted to add an additional \$500,000 in funding to the program and to reauthorized the program until 2033.

CAPP expects to raise lending limit from \$250,000 to \$300,000 and to offer second concurrent loan up to borrowing cap.

**\$500,000**

additional dollars to program.

**\$1,500,000**

Expansion to total funding

# CMD Delivers 1: CAPP Expansion

Applicants
17 Approved Loans
12 Applicants – 7 MBEs and 5 WBEs
11 Applicants are Black or Latinx Owned

Loan Data
Approved Amount <b>\$157,353</b>
Approved loan was between <b>17-90%</b> of contract
Average borrowed used <b>70%</b> of approved loan

Department
7 PUC
3 Public Works
3 SFO
1 Rec and Park
1 Port – for Public-Private Projects
2 MOHCD

**Long-Term Impact**

- 1 borrower obtained SBA-backed loan
- 1 borrower obtained a revolving line of credit for \$250,000
- 1 borrower obtained a revolving line of credit for \$750,000

# CMD Delivers 2: LBE Applications Redesign

Many firms use SF City Partner/Peoplesoft to submit an electronic application. However, CMD has a paper application to support LBEs in the process.

CMD is working on a SF City Partner redesign (hoping to launch in early 2025), but also took the opportunity to redesign the paper application now.



## Old Applications

The image displays three screenshots of the old LBE Application form. The first screenshot shows the 'SECTION I: BUSINESS INFORMATION' section, which includes fields for Business Name, Address, City, State, ZIP Code, and Contact Information. The second screenshot shows 'SECTION II: OWNERSHIP & EMPLOYEE DATA', featuring a table with columns for Name, Ownership %, Business Role, and other details. The third screenshot shows 'SECTION III: GOODS AND SERVICES' and 'SECTION IV: REQUIRED SUPPORTING DOCUMENTS', which includes checkboxes for various document requirements.

# CMD Delivers 2: LBE Applications Redesign

Better directions and explanation of process

**Local Business Enterprise (LBE) and PUC-LBE Initial Certification Application**

Complete this application if your firm has never been certified as an LBE or PUC-LBE before and you would like to apply for LBE or PUC-LBE certification. Becoming a certified LBE helps small businesses compete in the City's bidding process.

**Contents**

- Page 1 - Directions
- Pages 2-3 - Paper Application
- Page 4 - List of Required Documentation

This is the paper version of the online LBE and PUC-LBE certification application. The best way to complete this application is online: <https://lbe.certif.gov>. You may choose to complete the paper application if you are unable to submit the application electronically.

The paper application is 2 pages long and typically takes 15 minutes to complete.

Before you begin filling out the application, gather your firm's tax returns, San Francisco business registration, employee information, and professional license information. You must submit additional documentation to support your application.

**Important:** All firms must have a profile in San Francisco City Partner. CMD cannot finish processing your application unless you have created a profile. Register here: <https://info.sfgov.org/citypartner/registration>.

**Submission**

Submit your application with documentation to [beocmd@sfgov.org](mailto:beocmd@sfgov.org) or Contract Monitoring Division, Attn: Certification Unit, 1455 Market Street Suite 16A, San Francisco, CA 94103.

**Certification Process**

```

    graph LR
      A[Submit your LBE application (paper or electronic version). Attach additional documents as required.] --> B[CMD reviews application. CMD may reach out to request additional information or documentation. A site visit is required.]
      B --> C[CMD determines whether your firm is eligible for certification. If your firm is eligible to become an LBE, CMD will issue you a signed letter with a certification expiration date and send your firm on the LBE website.]
    
```

**Questions?**

Contact CMD's Certification Unit at [beocmd@sfgov.org](mailto:beocmd@sfgov.org) or sign up to attend a certification webinar here: <https://www.sf.gov/cmc-hi-mee/meeidiv-website>

Contract Monitoring Division (CMD) | <https://www.sf.gov/cmc-hi-mee/meeidiv-website>  
 1455 Market Street Suite 16A, San Francisco, CA 94103  
 (415) 354-0630 | [LBE.Cert@sfgov.org](mailto:LBE.Cert@sfgov.org)

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**Required Documents for LBE and PUC-LBE Initial Certification**

Attach all documentation that applies to your firm. Check the box next to each document you attach.

**All Applicants:** All applicants must attach the following documents:

- Verification of your business type (attach the document that applies to your firm):**
  - Partnership: partnership agreement, **QS**
  - Corporation: Articles of Incorporation, **QS**
  - LLC: Articles of Organization, **QS**
  - Sole Proprietor: personal income tax returns.
- Verification of place(s) of business for each business location:**
  - If you lease: signed lease **AND** proof of recent rent payment (if you lease) **QS**
  - If you own: proof of ownership (e.g. property tax bill, deed).
- Verification of gross receipts:** Your FIVE most recently filed business income tax returns (if your firm has filed less than five business income tax returns, send all returns you have previously filed).
- Verification of personal income tax returns:** All owners must submit their FIVE most recently filed personal income tax returns.
- Verification of experience:** Attach three recent proofs of experience (e.g. signed contracts or invoices) for each category requested documenting experience in each requested category.

**Applicants with Employees:** If your firm has employees, attach the following documents:

- Employee and wage verification:** You must recently filed annual Federal W-3 **AND** The corresponding DEBC payroll reports filed with the CA Employment Development Department for that year.

**Applicants Seeking a Minority-owned Business (MBO) or Women-owned Business (WBE) Designation:**

- Verification of MBO or WBE special designation:** Documentation for each principal identified as an ethnic minority or a woman depending on special designation you are applying for (e.g. passport, driver's license, birth certificate).

**Supplier Applicants:** If you are applying for goods/material supplier certification category, attach the following documents:

- Manufacturer's agreements:** Manufacturer's agreement for each supplier certification category requested.
- Verification of warehouse location(s):** If you lease: signed lease **AND** proof of recent rent payment **QS** If you own: proof of ownership (e.g. property tax bill, deed).

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Improved checklist so you only get what is required for your specifics

Better recertification directions

**Required Documents for LBE and PUC-LBE Recertification**

Attach all documentation that applies to your firm. Check the box next to each document you attach.

**All Applicants:**

- Verification of gross receipts:** Your FIVE most recently filed business income tax returns not previously provided to CMD (if your firm has filed less than five business income tax returns, send all returns you have previously filed).
- Verification of personal income tax returns:** All owners must provide their FIVE most recently filed personal income tax returns.

**Have you changed your business type?** If NO, **⏪** skip to next question. If YES, **Ⓜ** attach.

- Partnership: partnership agreement, **QS**
- Corporation: Articles of Incorporation, **QS**
- LLC: Articles of Organization, **QS**
- Sole Proprietor: Form 540 Schedule C.

**Have you had an address change?** If NO, **⏪** skip to next question. If YES, **Ⓜ** attach.

- If you lease: signed lease **AND** proof of recent rent payment **QS**
- If you own: proof of ownership (e.g. property tax bill, deed).

**Are you seeking a change to your MBE/WBE/DBE special designation?** If NO, **⏪** skip to next question. If YES, **Ⓜ** attach.

- Documentation for each principal identified as an ethnic minority (for MBE) **QS** each principal identified as a woman (for WBE) (e.g. passport, driver's license, birth certificate).

**Does your firm have employees?** If NO, **⏪** skip to next question. If YES, **Ⓜ** attach.

- Your firm's most recently filed annual Federal W-3 **AND** The corresponding DEBC payroll reports filed with the CA Employment Development Department for that year.

**Are you requesting a new certification category?** If NO, **⏪** skip to next question. If YES, **Ⓜ** attach.

- For each new certification category requested, attach three proofs of experience (e.g. signed contracts or invoices) documenting experience in requested category.

**Are you a truck/trailer?** If YES, **Ⓜ** attach.

- Your DMV Motor Carrier Permit **AND** Proof of ownership (e.g. registration and title) for each vehicle.

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**LBE and PUC-LBE Certification Revision Application**

**Directions:** Electronic application can be completed here: <https://lbe.certif.gov>. For the paper application, complete the form. Attach additional pages if needed. Submit your application with documentation to [beocmd@sfgov.org](mailto:beocmd@sfgov.org) or Contract Monitoring Division, Attn: Certification Unit, 1455 Market Street Suite 16A, San Francisco, CA 94103. **REVISION DEFINITION/INFORMATION:** If you would like to make a change to your LBE/PUC-LBE certification, submit **ONLY** through the recertification process. **DO NOT** file application. Revision data will remain the same. Select all revision categories that apply to your firm. Attach documentation and provide information requested for each revision type requested.

Firm name: \_\_\_\_\_ Supplier/bidder ID number: \_\_\_\_\_

**Which revisions would you like to make to your certification?**

- Name change:** Attach documentation showing firm's name change. Have you updated your bidder/supplier profile on the San Francisco City Partner portal?  Yes  No Provide clarification: \_\_\_\_\_
- Contact information change:** Provide contact information below. Have you updated your bidder/supplier profile on the San Francisco City Partner portal?  Yes  No Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_
- Address change:** Attach lease and proof of recent rent payment (if you lease the property) OR proof of ownership (e.g. property tax bill, deed) if you own the property. Have you updated your bidder/supplier profile on the San Francisco City Partner portal?  Yes  No Provide an explanation and list new address(es) below: \_\_\_\_\_
- Ownership change:** Attach new owner's five most recently filed personal income tax returns not previously supplied to CMD **AND** recent verification of ownership (e.g. stock ledgers/Certificate, K1, 1099-E, Schedule D, Form 2023, etc. Provide clarification: \_\_\_\_\_

Owner Name	Years with Firm	Ownership %	Ethnicity	Gender

Are any owners (shareholders) full-time employees for another firm?  Yes  No If yes, provide clarification: \_\_\_\_\_

Is any owner/shareholder  Yes  No Has any owner, partner, or officer of your firm operated another firm in the last five years?  Yes  No Professional and/or contractor license numbers: \_\_\_\_\_

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Support for changes during certification period

Color Coded Applications and Fields to make it easier to use

# Mandated Code Updates

The Threshold Amount and Minimum Competitive Amount are written into Chapter 6 and 21. These are specific values get threshold for procurement procedures.

These numbers are updated every five years. The next update will be January 1, 2025 based on the Controller's application of the inflation index.

The exact amount of the increase is not yet calculated.

The increase results in the potential for higher value Micro Set-Asides and Contract Service Orders (CSO).



Current

**\$1,000,000**  
Threshold Amount

**\$200,000**  
Minimum Competitive  
Amount

# Mandated Code Updates

January 1, 2025 the category sizes for Micro, Small, and SBA Certifications will also increase. This was updated in the 2021 14B Code updates.

## Current Size Thresholds

Maximum Economic Thresholds for LBE, PUC-LBE, NPE, & SBA Certification			
	"Micro" Bid Discount: 10%	"Small" Bid Discount: 10%	"SBA" Bid Discount: 5%*
Class A and Class B General Contractors	\$12,000,000	\$24,000,000	\$40,000,000
Specialty Construction Contractors	\$6,000,000	\$12,000,000	\$20,000,000
Trucking and Hauling	\$2,500,000	\$5,000,000	\$10,000,000
Goods Materials and Equipment Suppliers	\$6,000,000	\$12,000,000	\$20,000,000
General Service Providers	\$6,000,000	\$12,000,000	\$20,000,000
Architect/Engineering	\$2,500,000	\$5,000,000	\$8,500,000
Professional Services	\$2,500,000	\$5,000,000	\$8,500,000

\*SBA certification is not available for NPE or PUC-LBE firms.

## How can I get my firm recategorized when the thresholds change?

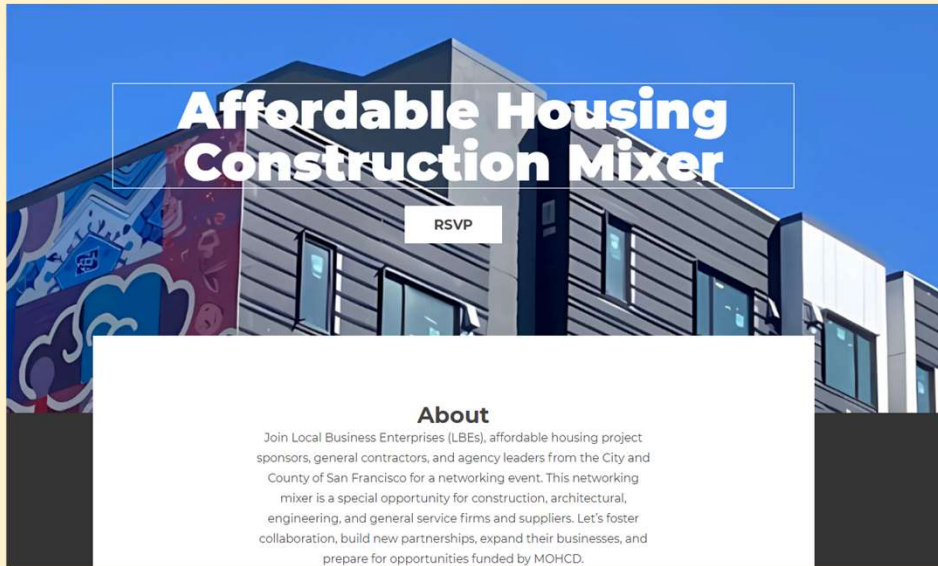
In January 2025, CMD will open an expedited process through June 30, 2025 for recategorization. CMD will send a form for firms to request a "threshold check" of their certification.

CMD will process these reviews using documentation **already submitted** and the certification **expiration date will remain the same.**

Firms may request a recertification for a new expiration date, but that will require submitting all the typical documentation and entering the regular review queue.



# Announcements: RSVP now Affordable Housing Construction Mixer



RSVP list will be emailed  
~December 9 to those who  
have RSVPed.

When you get RSVP list,  
make a plan of who you want  
to meet. CMD staff will be  
there to help you connect.

## December 11, 2024

Southeast Community Center 1550 Evans

10 am – Noon

RSVP at

<https://cmdaffordablehousing.splashthat.com/>

Group mixer events starts at  
10:20 am.

**BRING** your business cards  
and capability statements.

# Announcements – TIDA Mentor Protegee Recruitment

## Spread the word!

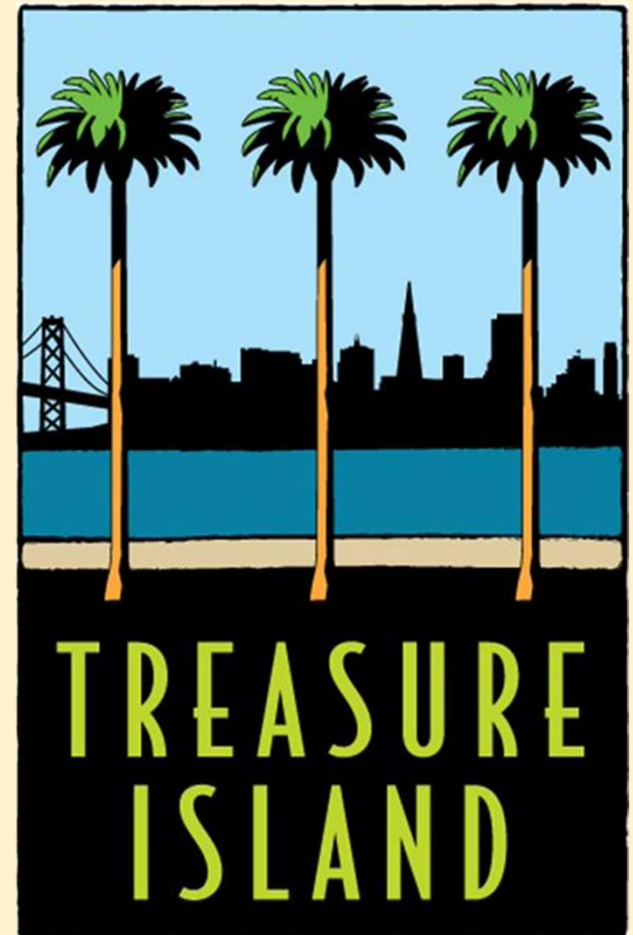
- Interested in becoming a Protégé?  
Email [TIDA.MPP@sfgov.org](mailto:TIDA.MPP@sfgov.org)

## Open House on 1/15

- TIDA will host an Open House for LBEs and SBEs. Learn more about the MPP at the Open House and meet potential mentors.

## Program Commitment

- To ensure a productive and meaningful experience, proteges are expected to dedicate at least 2 hours a month to MPP activities.



# Program Evaluation



Contract signed November 22, 2024



CMD will initiate kickoff with contractor



Opportunities for your input will include:

- Community Meeting
- Focus Group
- Individual Interviews

Expect Information in early 2025 for participation opportunities.

**Questions?**