



## **CMD Frequently Asked Questions**

### **Chapter 14B - Pilot Neighborhood/Zip Code LBE Program**

ver. 3/22/2023

#### **What does the Pilot Neighborhood/Zip Code LBE Program do to help out a San Francisco Micro- or Small-LBE?**

This pilot program is a hyper-local preference program that encourages participation by neighborhood businesses on City projects located in their neighborhood (i.e., Supervisorial District) and/or zip code. The Pilot Neighborhood/Zip Code Pilot Program creates an additional bid discount that is added to the standard bid discount

#### **How do I know if a project and the bid/RFP/RFQ are in the Pilot Neighborhood/Zip Code LBE Program and what Supervisorial Districts and Zip Codes are applicable?**

Bid specifications and the project advertisement will state whether the Pilot Neighborhood/Zip Code LBE Program is applicable to a specific project. Those documents will also state the San Francisco Supervisorial Districts ("neighborhood") and Zip Codes in which this specific project is located.

#### **How do I know if my firm qualifies for the Program?**

- A "Neighborhood LBE" means a CMD-certified Small or Micro-LBE whose principal place of business is located in the same Neighborhood (i.e., Supervisorial District) in which the project is located.
- A "Project Zip Code LBE" means a CMD-certified Small or Micro-LBE whose principal place of business is located in the same zip code as the zip code in which the project is located.
- The location of the LBE's business is the LBE's address verified by the Contract Monitoring Division and confirmed in the CMD LBE Directory online at [http://mission.sfgov.org/hrc\\_certification/SEARCH.aspx](http://mission.sfgov.org/hrc_certification/SEARCH.aspx)

#### **I am an LBE Prime Bidder near the project, how does the Program impact my bid?**

The Program provides additional bid discounts for your bid/proposal: Prime Neighborhood/Zip Code LBE bid discount and Subcontracting Neighborhood/Zip Code LBE bid discount.

#### **I am an LBE subcontractor near the project, how does the program impact me?**

There is a bid discount incentive for the Prime bidders to use subcontracting teams that are from the project neighborhood and zip code.

#### **What is the Prime Neighborhood/ Zip Code LBE bid discount?**

A **1%** bid discount to Bids from a Neighborhood LBE when bidding on a Contract where the project is located in the same Neighborhood (i.e. Supervisorial District) as the Neighborhood LBE's principal place of business

**OR**

A **1.5%** bid discount to Bids from a Project Zip Code LBE when bidding on a Contract where the project is located in the same zip code as the Project Zip Code LBE's principal place of business.

**What is the Subcontracting Neighborhood/ Zip Code LBE bid discount?**

A **0.5%** bid discount to Bids from any Bidder if the LBE sub participation in the submitted Bid includes participation by Neighborhood LBEs of at least 50% of LBE sub participation commitment listed with the bid.

**OR**

A **1.5%** bid discount to Bids from any Bidder if the LBE sub participation in the submitted Bid includes participation by Zip Code LBEs of at least 50% of LBE sub participation commitment listed with the bid.

**What is the maximum extra bid discount that the Neighborhood/Zip Code LBE Program provides to me, on top of the standard bid discount?**

- The maximum sum of the bid discounts for Prime and Sub Neighborhood/Zip Code LBE is 3%, which is added to the standard bid discount advertised for the project.
- For example, if the standard bid discount of 10% for a Micro-LBE or Small-LBE Prime is applied, and an extra 3% Neighborhood/Zip Code bid discount is determined, then the total bid discount achieved is 13%.

**Can a Non-LBE Prime Bidder benefit from this program?**

Yes, the Subcontracting Neighborhood/ Zip Code LBE bid discount is still applicable if your subcontracting team uses at least 50% of LBE subcontracting participation from the project neighborhood or zip code.

**Do SBA-LBEs receive the Neighborhood or Zip Code Prime or Sub Discount?**

This program is applicable to Micro-LBEs or Small-LBEs only. SBA-LBEs are not eligible.