



**San Francisco Office of the City Administrator
Contract Monitoring Division**

The Local Business Enterprise (LBE) Program – a San Francisco Small Business Inclusion Program for City Contracts

Presented by Stephanie Tang, CMD Director

For Small Business Commission - July 24, 2023

Small Business Inclusion Programs

- Can be at federal, state, local or private level. Guidelines particular to each program.
- Small businesses form the backbone of neighborhoods, contribute to the economy, and are significant for overall economic health.
- Small businesses experience higher costs
- Experience competitive disadvantage in competing for contracts
- Seek to provide equal opportunity and create equity

Local and National Context

CCSF Program
for Women and
Minority-Owned
Businesses
Initiated with the
Human Rights
Commission

1984

City enjoined and
ends previous
small business
inclusion
program.
Initiatives Local
Business
Enterprise
Program

2004

Supreme Court
ruled 6-3 in
Students for Fair
Admission Inc v.
President and
Fellows of
Harvard College
Decision

2023

1996

Proposition 209
ends race, sex,
color, ethnicity,
national origin
preferential
treatment in
public
employment,
education, and
contracting

2012

LBE Program is
moved from HRC
into newly
created Contract
Monitoring
Division

City Contracting

sf.gov/contracting

- City spends over \$2 billion on goods and services to keep City running
- Public works construction and capital programs engage hundreds of contractors
- Almost every City department engages in some level of contracting or grantmaking

Search for [advertised](#) & [forecast](#) contracts

LBE Certification

- Benefits in competing for City contracting
- Application review by City staff
- Site visit required
- Certification duration 1 or 3 years
- Firm owner eligible for Women, Minority, or Other Business Ownership designation

Eligibility (selected criteria)

- Principal place of business in SF (or water service area for PUC-LBEs)
- Operational Independence
- Must operate in SF or PUC area for at least 6 months
- Owners must have expertise, license, etc in all categories requested
- Owners must prove performance in all categories requested

Economic Thresholds

The 5-year average of gross annual receipts of all businesses under common ownership must not exceed the following limits:

	<u>Micro-LBE</u>	<u>Small-LBE</u>	<u>SBA-LBE</u>
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
Goods/Materials/ Equipment & General Services	\$6,000,000	\$12,000,000	\$20,000,000
Professional Services & Architect/ Engineering	\$2,500,000	\$5,000,000	\$8,500,000
Trucking	\$2,500,000	\$5,000,000	\$10,000,000

Bid
Discount/Rating
Bonus



LBE Subcontractor/
Subconsultant
Participation
Requirement

Micro Set-Aside
Contracts



Contractor
Development
Program

LBE Program Benefits for City Contracts

Certification Benefits for Non-City Contracts

Other small business inclusion programs may recognize certified LBEs

- OCII and Private-Public Projects (mainly development projects) may have small business inclusion goals.
- Private companies and contractors may have small business inclusion programs as part of diversity, equity, inclusion and belonging initiatives.

Technical Assistance

Surety Bond

Contractor Development Program

Contractor Accelerated Payment Program (CAPP)

Mentor Protégé Program

Additional Resources

- CMD Contract Compliance Officers participate in public procurements to ensure fairness
- [LBE Advisory Committee](#) meets every other month
- [LBE Directory](#) is open for search
- Wednesday Workshops provide an opportunity to learn more about [certification](#) and [bidding on city contracts](#)

Contact CMD

Contract Monitoring Division
1155 Market Street, 4th Floor.
San Francisco, CA 94111

 415-581-2310

 sfgov.org/cmd

 cmd.info@sfgov.org

 lbecert@sfgov.org