



S.F. ADMINISTRATIVE CODE CHAPTER 14B CERTIFICATION INSTRUCTIONS SAN FRANCISCO HUMAN RIGHTS COMMISSION

What is the Local Business Enterprise and Non-Discrimination in Contracting Ordinance?

Found in S.F. Administrative Code Chapter 14B, this law helps certain financially disadvantaged businesses increase their ability to compete effectively for City of San Francisco contracts. The law also helps the City locate and address any race or gender discrimination that may occur in the City contracting process.

How Does the Ordinance Work?

Once a business is certified as eligible, it becomes entitled to a 10% bid discount or ratings bonus on bids submitted on City contracts that are covered by the law. The Ordinance requires subcontracting goals be established on many City contracts so that a certain percentage of the work will be performed by certified firms. Contracting departments and prime contractors are required to conduct outreach to certified firms to ensure their maximum participation in City contracting.

The Ordinance requires the City to set aside a certain percentage of contracts for completion by "Micro" businesses only. It also allows the HRC to identify firms based on ethnicity and gender so that their contracting progress can be tracked to ensure non-discrimination. After contract award, certified small/micro/local business enterprises receive assistance from HRC staff on prompt payment issues, compliance concerns and other contract-related matters.

What Are the Different Types of Certification?

- Small/Micro/Local Business Enterprise
- Non-Profit Entity
- San Francisco Public Utilities Commission (PUC) Local Business Enterprise
- Minority-Owned Business Enterprise
- Woman-Owned Business Enterprise
- Other Business Enterprise

What Are the Different Certification Requirements?

Local Business Enterprise (LBE) Certification The HRC Director will certify as a Small or Micro LBE any business that has its principal place of business in San Francisco for more than six months, has gross income that does not exceed the economic threshold set by the Ordinance for the applicable industry and has any necessary license.

Non-Profit Entity (NPE) Certification The HRC Director will certify as a Non-Profit Entity any non-profit organization that meets the requirements of LBE certification. NPEs will have the status of LBEs for all purposes under the Ordinance, including but not limited to bid discounts and rating bonus, and subcontracting participation credit.

San Francisco Public Utilities Commission (PUC) Regional Business Enterprise Certification The HRC Director will certify businesses as PUC/LBEs to any firm meets all of the requirements of Small or Micro LBE certification that is located within the PUC Water System service area (as determined by zip code). PUC/LBEs receive the same discounts or bonus points as other LBEs when bidding on construction, construction material and supplies, construction equipment rental and trucking contracts being performed in the PUC water system service area outside of San Francisco and can be used to meet the subcontracting goals on these projects. A list of qualifying zip codes can be found in 14B Rules and Regulations available on the HRC website at www.sfgov.org/sfhumanrights.

Minority-Owned Business Enterprise (MBE) Certification The HRC Director will certify as an MBE any business that is certified as an LBE that is owned and controlled by one or more people who belong to one or more of the following ethnic groups: (1) African Americans, defined as persons whose ancestry is from any of the Black racial groups of Africa or the Caribbean; (2) Arab Americans, defined as persons whose ancestry is from an Arabic speaking country that is a current or former member of the League of Arab States; (3) Asian Americans, defined as persons with Chinese, Japanese, Korean, Pacific Islander, Samoan, Filipino, Asian Indian, and Southeast Asian ancestry; (4) Iranian Americans, defined as persons whose ancestry is from the country of Iran; (5) Latino Americans, defined as persons with Mexican, Puerto Rican, Cuban, Central American or South American ancestry; and (6) Native Americans, defined as any person whose ancestry is from any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition. The minority-owner must be the license qualifier and own at least 51% of the business. There are no additional discount or bonus points given for this type of certification.

Woman-Owned Business Enterprise (WBE) Certification The HRC Director will certify as a WBE any business that is certified as an LBE and is owned and controlled by one or more women. The woman-owner must be the license qualifier and own at least 51% of the business. There are no additional discount or bonus points given for this type of certification.

Other Business Enterprise (OBE) Certification The HRC Director will certify as an OBE any business that is certified as an LBE and that does not demonstrate to the satisfaction of the Director that it is owned and controlled by one or more woman or minority persons. There are no additional discount or bonus points given for this type of certification.

What Qualifies as a Principal Place of Business?

Businesses with more than one location must demonstrate that the majority of its principals are based in its San Francisco office, and that it pays San Francisco payroll taxes on at least 51% of the total payroll for non-exempt employees.

What's the Difference Between a "Small" and "Micro" Business Enterprise?

Micro businesses are LBEs that meet a lower economic threshold.

What Are the Economic Thresholds?

A business' average gross receipts for the last three years will determine whether the economic threshold has been exceeded.

For SMALL businesses:

Construction Contractors	\$14 million
Specialty Construction Contractors	\$7 million
Goods, Materials and Equipment Suppliers	\$7 million
General Services	\$7 million
Professional & Architect/Engineering Svcs	\$2.5 million
Trucking	\$3.5 million

For MICRO businesses:

Construction Contractors	\$7 million
Specialty Construction Contractors	\$3.5 million
Goods, Materials and Equipment Suppliers	\$3.5 million
General Services	\$3.5 million
Professional & Architect/Engineering Svcs	\$1.25 million
Trucking	\$1.75 million

How Do I Apply for Certification?

To apply, please submit a completed application available at the HRC's main office or on the web at www.sfgov.org/sfhumanrights and all required documentation.

How Long Does the Certification Process Take?

The period of time to process an application varies from 2 weeks to 30 days, depending upon your submission of required documents. All applications are handled on a first-come, first-served basis. If you have a bid pending please make sure your application notes the urgency required to process the application.

What Happens During the Certification Process?

HRC staff will review the application and documents submitted, and request any additional items needed to complete the file. Staff also will conduct a site visit of the premises and interview employees and/or the owner(s) at the site. Inspections of trucking parking sites and suppliers' inventory and warehouses also are required. Pictures are taken at the time of the site visit.

Certified firms may be audited at any time. Certification may be suspended and/or revoked after an audit is performed. Loss of a license will result in immediate suspension until such time the license is re-instated.

When Should I Become Certified?

To receive a bid discount or rating bonus, or to be counted toward meeting LBE goals, a business must be certified with the HRC prior to the submittal of a bid or proposal. Prime bidders must ensure that subcontractors or sub-consultants used to meet an LBE goal are certified in the field listed on their bid packets prior to submission of bids.

What Ongoing Obligations Do I Have Once My Business is Certified?

To ensure continued certification under the Ordinance, **all certified firms** must send to the HRC a copy of their yearly federal income taxes within 30 days of submittal to the Internal Revenue Service. Certified firms are required to notify the HRC Certification Unit in writing or via e-mail within 30 days of any changes in the firm such as size, ownership, control and location, telephone and fax numbers, licenses and work category. Failure to do so may result in suspension and/or decertification before the certification expires.

Certified firms should make sure that the HRC has accurate address, phone, fax, and e-mail information listed on its website. The Certified list of vendors can be found at www.sfgov.org/sfhumanrights.

What are the Recertification Requirements?

Certification is granted for a period of three years. A recertification application must be submitted to ensure continued certification after the expiration date.

Where Can I Get More Information and Assistance?

Workshops are offered to interested firms for technical assistance and newly certified firms to learn about bid and contracting opportunities with the City and County of San Francisco. Please contact the HRC for information on upcoming workshops.

Should you need further assistance with the certification process, please contact the HRC and ask to speak with someone in the Certification Unit.

✓ Additional copies of the Certification Instructions and applications are available on the HRC's website at www.sfgov.org/sfhumanrights or by calling the HRC at 415-252-2500.

➔ Certification Applications should be submitted to:

Human Rights Commission
25 Van Ness Avenue, #800
San Francisco, CA 94102-6033
Attention: Certification Unit

☎ For more information or assistance, contact the HRC at 415-252-2500.