



Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Bay Area Headquarters Authority

Authority Members:

Scott Haggerty, Chair Alfredo Pedroza, Vice Chair
Jeannie Bruins, Federal D. Glover, Libby Schaaf, Amy R. Worth

Wednesday, March 25, 2020

9:35 AM

Board Room - 1st Floor (Remotely)

The Bay Area Headquarters Authority (BAHA) will be meeting on Wednesday, March 25, 2020 at 9:35 a.m. in the Bay Area Metro Center (Remotely). In light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with Executive Order N-29-20 issued by Governor Newsom, and the Guidance for Gatherings issued by the California Department of Public Health, the meeting will be conducted via webcast and teleconference for Authority members. Some Authority members will participate in the meeting from individual remote locations, which is in accordance with the Governor's Executive Orders. Members of the public are encouraged to watch remotely.

Persons who wish to address the Authority on an item to be considered at this meeting are asked to submit comments in writing to the Authority at info@bayareametro.gov by 5:00 PM, March 24th, 2020. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments will be submitted into the record.

1. Call to Order / Roll Call / Confirm Quorum

Quorum: A quorum of this committee shall be a majority of its regular voting members (4).

2. Consent Calendar

- 2a. [20-0235](#) Minutes of the January 22, 2020 meeting
- Action: Authority Approval
- Attachments: [2a_01-22-2020_BAHA_Draft_Minutes.pdf](#)
- 2b. [20-0371](#) BAHA Financial Statements for Q2 FY 2019-20
- Action: Information
- Presenter: Raymond Woo
- Attachments: [2b_BAHA_FY2019-20_Q2_Financials.pdf](#)

- 2c.** [20-0267](#) BAHA Resolution No. 23 - Adoption of the Updated Small Business Enterprise (SBE) Program. A request to adopt BAHA Resolution No. 23, the updated Bay Area Headquarters Authority (BAHA) Small Business Enterprise (SBE) Program, which updates and combines the SBE Program for Civil Construction and the Pilot SBE Program for Professional Services.

Action: Authority Approval

Presenter: Edward Phillips

Attachments: [2c BAHA Reso-23 SBE Program.pdf](#)

3. Public Comment / Other Business

4. Adjournment / Next Meeting:

The next meeting of the Bay Area Headquarters Authority is scheduled to be held on Wednesday, April 22, 2020 at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA 94105.

Public Comment: The public is encouraged to comment on agenda items at Authority meetings by completing a request-to-speak card (available from staff) and passing it to the Authority secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Authority may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Authority meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Authority members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Authority. Actions recommended by staff are subject to change by the Authority.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-0235 **Version:** 1 **Name:**
Type: Minutes **Status:** Consent
File created: 1/23/2020 **In control:** Bay Area Headquarters Authority
On agenda: 3/25/2020 **Final action:**
Title: Minutes of the January 22, 2020 meeting
Sponsors:
Indexes:
Code sections:
Attachments: [2a_01-22-2020_BAHA_Draft_Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Minutes of the January 22, 2020 meeting

Recommended Action:
Authority Approval



Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Minutes

Bay Area Headquarters Authority

Authority Members:

Scott Haggerty, Chair Alfredo Pedroza, Vice Chair
Jeannie Bruins, Federal D. Glover, Libby Schaaf, Amy R. Worth

Wednesday, January 22, 2020

10:05 AM

Board Room - 1st Floor

Call Meeting to Order

1. Call to Order / Roll Call / Confirm Quorum

Present: 4 - Commissioner Bruins, Commissioner Glover, Chair Haggerty and Commissioner Worth
Absent: 2 - Vice Chair Pedroza and Commissioner Schaaf

2. Consent Calendar

Upon the motion by Commissioner Worth and the second by Commissioner Glover, the Consent Calendar was unanimously approved by the following vote:

Aye: 4 - Commissioner Bruins, Commissioner Glover, Chair Haggerty and Commissioner Worth

Absent: 2 - Vice Chair Pedroza and Commissioner Schaaf

2a. [19-1344](#) Minutes of the November 20, 2019 meeting

Action: Authority Approval

2b. [19-0855](#) BAHA Financial Statements for First Quarter FY 2019-20

Action: Information

Presenter: Raymond Woo

2c. [20-0077](#) BAHA Resolution No. 1, Revised - Amendment to the BAHA Establishing Resolution.

Action: Authority Approval

Presenter: Denise Rodrigues

3. Public Comment / Other Business

4. Adjournment / Next Meeting:

The next meeting of the Bay Area Headquarters Authority is scheduled to be held on Wednesday, February 26, 2020 at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA 94105.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-0371 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 2/21/2020 **In control:** Bay Area Headquarters Authority
On agenda: 3/25/2020 **Final action:**
Title: BAHA Financial Statements for Q2 FY 2019-20
Sponsors:
Indexes:
Code sections:
Attachments: [2b_BAHA_FY2019-20_Q2_Financials.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
BAHA Financial Statements for Q2 FY 2019-20

Presenter:
Raymond Woo

Recommended Action:
Information

Bay Area Headquarters Authority (BAHA)

March 25, 2020

Agenda Item 2b

BAHA Financial Statements for Second Quarter FY 2019-20

Background: Attached are the BAHA Operating and Capital Financial Statements for the Fiscal Year 2019-20 second quarter ending on December 31, 2019.

Combined Operations: BAHA is the operating authority and provides oversight for the entire Bay Area Metro Center (BAMC) enterprise, including the operation of the 375 Beale Condominium Corporation (375 Beale Inc.). As of the end of the second quarter, the combined operating financials show a surplus of \$5,595,027 before transfer out and depreciation.

BAHA Building Operations: BAHA Building Operations represents the BAHA commercial building operations. These operations reported a \$2,396,027 surplus before transfer out and depreciation. Total revenue of \$5.2 million is 51% of the approved budget.

Total operating expense was below the approved budget at 44% or \$3 million at the end of the second quarter.

375 Beale Inc.: The board of directors of 375 Beale Inc., composed of representatives of the condominium owners, oversees the condominium operations. As of December 31, 2019, the condominium operations show a surplus of \$119,050. Any surplus revenue at the end of the fiscal year will be returned to the condominium owners based on the assessment allocation formula.

Property Manager: Cushman & Wakefield of California, Inc. (CW) is hired by BAHA as the property manager for the BAMC. CW is responsible for ensuring the building is in operating condition throughout the fiscal year by managing utility services, building security, janitorial service, and building maintenance. Total operating expense incurred by CW at the end of the second quarter was \$4.9 million, 51% of the approved budget. Expense was slightly ahead of budget due to the one time Possessory Interest Tax payment made in the beginning of the year. CW expenses are split between BAHA Building Operations and 375 Beale Inc.

BAHA Building Development: The capital budget is 99% expended. The project budget has \$896,771 remaining after expenditures and encumbrances.

Commercial Development: Tenant improvements are 88% complete with three open projects remaining. The entire development project has \$1.4 million budget remaining which is largely reserved for the first floor Retail Space project.

Building Improvement: Total life-to-date budget for this capital fund is \$3.3 million. Total spent and encumbered was \$1.7 million as of the end of September, leaving \$1.6 million for future improvement.

Recommendation: None. This item provided as information only.

Attachments: Attachment A – BAHA Second Quarter Financial Statements for period ending December 31, 2019


Therese W. McMillan

BAHA Building and 375 Beale Inc. Operations
BAHA Operating Budget by Group
As of December 31, 2019

	FY2019-20 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired	Enc	YTD Total (YTD + Enc)
Revenue:							
Assessment Fee - Shared Services	\$ 2,006,600	\$ 1,003,300	\$ (1,003,300)	50%	50%	\$ -	\$ 1,003,300
Assessment Fee - Common Area	3,455,272	1,727,636	(1,727,636)	50%	50%	-	1,727,636
Lease income	9,645,222	4,821,088	(4,824,134)	50%	50%	-	4,821,088
Expense reimbursements	358,333	122,824	(235,509)	34%	50%	-	122,824
Other income - Parking	202,200	95,049	(107,151)	47%	50%	-	95,049
Other income - Antenna	3,819	-	(3,819)	0%	50%	-	-
Other income	-	20,793	20,793	N/A	50%	-	20,793
Interest Income	-	130,779	130,779	N/A	50%	-	130,779
Total Operating Revenue	15,671,446	7,921,469	(7,749,977)	51%	50%	-	7,921,469
Expense:							
Staff Cost (In-House)							
Salaries and Benefits	1,409,000	653,904	(755,096)	46%	50%	-	653,904
Overhead	711,500	336,807	(374,693)	47%	50%	-	336,807
Total Staff Cost	2,120,500	990,711	(1,129,789)	47%	50%	-	990,711
Property Management Op Exp (CW)							
375 Beale Inc (SSO)	3,455,272	1,569,964	(1,885,308)	45%	50%	-	1,569,964
Building Op Exp	4,616,645	2,396,027	(2,220,618)	52%	50%	-	2,396,027
Total Property Management Op Exp	8,071,917	3,965,991	(4,105,926)	49%	50%	-	3,965,991
In-House Op Exp							
375 Beale Inc (SSO)	1,087,000	411,191	(675,809)	38%	50%	528,567	939,758
Building Op Exp	971,020	227,134	(743,886)	23%	50%	209,860	436,994
Total In-House Op Exp	2,058,020	638,325	(1,419,695)	31%	50%	738,427	1,376,752
Total Operating Exp	12,250,437	5,595,027	(6,655,410)	46%	50%	738,427	6,333,454
Total Operating Suplus (Deficit) before Transfer and Depreciation	3,421,009	2,326,442	(1,094,567)	68%	50%		
Transfer In/(Out)	(3,421,009)	(2,000,000)	1,421,009	58%	50%		
Depreciation	6,814,218	3,499,910	(3,314,308)	51%	50%		
Total Operating Suplus (Deficit)	<u>\$ (6,814,218)</u>	<u>\$ (3,173,468)</u>					

BAHA Building Operations
As of December 31, 2019

	FY2019-20 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired	Enc	YTD Total (YTD + Enc)
Revenue							
Lease income	\$ 9,645,222	\$ 4,821,088	\$ (4,824,134)	50%	50%	\$ -	\$ 4,821,088
Expense reimbursements	358,333	122,824	(235,509)	34%	50%	-	122,824
Other income - Parking/Antenna	202,200	95,049	(107,151)	47%	50%	-	95,049
Other income - Antenna	3,819	-	(3,819)	0%	50%	-	-
Other income	-	20,793	20,793	N/A	50%	-	20,793
Interest Income	-	129,119	129,119	N/A	50%	-	129,119
Total Revenue	10,209,574	5,188,873	(5,020,701)	51%	50%	-	5,188,873
In-House Op Exp							
Salaries and Benefits	808,400	250,233	(558,167)	31%	50%	-	250,233
Overhead	392,500	108,087	(284,413)	28%	50%	-	108,087
Contractual services	252,520	-	(252,520)	0%	50%	53,678	53,678
IT Licenses, Maintenance	421,000	140,985	(280,015)	33%	50%	112,909	253,894
Audit/Accounting/Other	87,000	50,627	(36,373)	58%	50%	1,049	51,676
Other Op Exp	36,500	11,146	(25,354)	31%	50%	15,729	26,875
Insurance	17,000	14,068	(2,932)	83%	50%	-	14,068
Art Related	75,000	10,308	(64,692)	14%	50%	26,495	36,803
Contribution to Ada's	32,000	-	(32,000)	0%	50%	-	-
Lease Commitment	50,000	-	(50,000)	0%	50%	-	-
Total In-House Op Exp	2,171,920	585,454	(1,586,466)	27%	50%	209,860	795,314
Property Management Op Exp (CW)							
Contractual services	522,411	235,443	(286,968)	45%	50%	-	235,443
Building Repair and Maint.	1,103,946	412,435	(691,511)	37%	50%	-	412,435
Security	565,880	270,622	(295,258)	48%	50%	-	270,622
Parking	330,442	149,032	(181,410)	45%	50%	-	149,032
Other Op Exp	26,511	13,250	(13,261)	50%	50%	-	13,250
Insurance	166,529	88,027	(78,502)	53%	50%	-	88,027
Utility - Ele	356,852	200,722	(156,130)	56%	50%	-	200,722
Utility - Gas	36,182	12,289	(23,893)	34%	50%	-	12,289
Utility - Water	63,464	32,907	(30,557)	52%	50%	-	32,907
Janitorial Service	772,135	356,443	(415,692)	46%	50%	-	356,443
Landscape	52,293	11,897	(40,396)	23%	50%	-	11,897
Possessory Tax	620,000	612,960	(7,040)	99%	50%	-	612,960
Total Property Management Op Exp	4,616,645	2,396,027	(2,220,618)	52%	50%	-	2,396,027
Total Operating Exp	6,788,565	2,981,481	(3,807,084)	44%	50%	209,860	3,191,341
Total Operating Suplus (Deficit) before Transfer and Depreciation	3,421,009	2,207,392	(1,213,617)	65%	50%		
Transfer In/(Out)	(3,421,009)	(2,000,000)	1,421,009	58%	50%		
Depreciation	6,814,218	3,499,910	(3,314,308)	51%	50%		
Total Operating Suplus (Deficit)	\$ (6,814,218)	\$ (3,292,518)					

375 Beale Inc. Operations
As of December 31, 2019

	FY2019-20 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired	Enc	YTD Total (YTD + Enc)
Revenue							
Assessment Fee - Shared Services	\$ 2,006,600	\$ 1,003,300	\$ (1,003,300)	50%	50%	\$ -	\$ 1,003,300
Assessment Fee - Common Area	3,455,272	1,727,636	(1,727,636)	50%	50%	-	1,727,636
Interest Income	-	1,660	1,660	N/A	50%	-	1,660
Total Revenue	5,461,872	2,732,596	(2,729,276)	50%	50%	-	2,732,596
In-House Op Exp							
Salaries and Benefits	600,600	403,671	(196,929)	67%	50%	-	403,671
Overhead	319,000	228,720	(90,280)	72%	50%	-	228,720
IT Licenses, Maintenance	655,500	256,609	(398,891)	39%	50%	300,466	557,075
Audit/Accounting/Other	53,000	32,039	(20,961)	60%	50%	2,600	34,639
Office Supplies	150,000	60,730	(89,270)	40%	50%	83,401	144,131
Coffee/Tea Service	95,000	31,569	(63,431)	33%	50%	63,431	95,000
Other Op Exp	83,500	20,486	(63,014)	25%	50%	38,427	58,913
Special Event Setups	50,000	9,758	(40,242)	20%	50%	40,242	50,000
Total In-House Op Exp	2,006,600	1,043,582	(963,018)	52%	50%	528,567	1,572,149
Property Management Op Exp (CW)							
Contractual services	554,047	264,071	(289,976)	48%	50%	-	264,071
Building Repair and Maint.	821,653	306,970	(514,683)	37%	50%	-	306,970
Security	423,458	203,324	(220,134)	48%	50%	-	203,324
Other Op Exp	19,731	9,142	(10,589)	46%	50%	-	9,142
Insurance	128,331	65,518	(62,813)	51%	50%	-	65,518
Utility - Ele	569,438	329,986	(239,452)	58%	50%	-	329,986
Utility - Gas	26,930	9,147	(17,783)	34%	50%	-	9,147
Utility - Water	47,236	24,492	(22,744)	52%	50%	-	24,492
Janitorial Service	817,811	348,460	(469,351)	43%	50%	-	348,460
Landscape	46,637	8,854	(37,783)	19%	50%	-	8,854
Total Property Management Op Exp	3,455,272	1,569,964	(1,885,308)	45%	50%	-	1,569,964
Total Operating Exp	5,461,872	2,613,546	(2,848,326)	48%	50%	528,567	3,142,113
Total Operating Suplus (Deficit)	\$ -	\$ 119,050					

Property Management Operations (CW)
As of December 30, 2019

	FY2019-20 Budget	Actual YTD	Budget Bal Over/(Under)	% of Budget	Year Expired
Op Exp - Split among 375 Beale Inc. and BAHA Building Operation					
Contractual services	854,378	410,681	(443,697)	48%	50%
Building Repair and Maint.	1,925,599	719,405	(1,206,194)	37%	50%
Security	987,058	472,042	(515,016)	48%	50%
Parking	330,442	149,032	(181,410)	45%	50%
Other Op Exp	46,242	21,426	(24,816)	46%	50%
Insurance	290,474	153,545	(136,929)	53%	50%
Utility - Ele	622,453	350,116	(272,337)	56%	50%
Utility - Gas	63,112	21,436	(41,676)	34%	50%
Utility - Water	110,700	57,399	(53,301)	52%	50%
Janitorial Service	1,346,826	621,739	(725,087)	46%	50%
Landscape	91,214	20,751	(70,463)	23%	50%
Total Op Exp	6,668,498	2,997,572	(3,670,926)	45%	50%
Op Exp - 375 Beale Inc.					
Contractual services	189,484	88,833	(100,651)	47%	50%
Security	2,280	1,904	(376)	84%	50%
Insurance	4,386	-	(4,386)	0%	50%
Utility - Ele	303,837	180,592	(123,245)	59%	50%
Janitorial Service	243,120	83,164	(159,956)	34%	50%
Landscape	7,716	-	(7,716)	0%	50%
Total Op Exp - 375 Beale Inc.	750,823	354,493	(396,330)	47%	50%
Op Exp - BAHA Building Operation					
Contractual services	32,596	966	(31,630)	3%	50%
Possessory Tax	620,000	612,960	(7,040)	99%	50%
Total Op Exp - BAHA Building Operation	652,596	613,926	(38,670)	94%	50%
Total Operating Exp	\$ 8,071,917	\$ 3,965,991	(4,105,926)	49%	50%
Depreciation - BAHA Building Operation	1,514,218	947,027	(567,191)	63%	50%
Total Expense	\$ 9,586,135	\$ 4,913,018	\$ (4,673,117)	51%	50%

BAHA Building Development Fund
As of December 2019 - Life To Date

		Budget LTD	Actual LTD	Encumbrances	Total LTD	Budget Balance Over/(Under)	% of Budget
Revenue:							
R1	Insurance Proceeds	\$ 1,817,087	\$ 1,817,087	\$ -	\$ 1,817,087	\$ -	100%
R2	Transfer in from MTC	801,160	801,160	-	801,160	-	100%
R3	Transfer in from SAFE	112,910	112,910	-	112,910	-	100%
R4	Transfer in from BATA	6,906,010	6,906,010	-	6,906,010	-	100%
R6	Purchase from ABAG	1,600,000	5,815,497	-	5,815,497	4,215,497	363%
R7	Purchase from Air District	34,000,000	34,141,265	-	34,141,265	141,265	100%
R8	Reimbursement from PG&E	54,601	54,601	-	54,601	-	100%
R9	TFCA Grant	151,000	-	-	-	(151,000)	0%
R10	Grant Local Match from MTC	119,000	-	-	-	(119,000)	0%
R11	Grant Local Match from Air District	150,000	150,000	-	150,000	-	100%
R12	SPANs Savings	33,000,000	33,000,000	-	33,000,000	-	100%
R13	Capital Contribution (BATA)	193,310,846	193,610,846	-	193,610,846	300,000	100%
R15	Interest Revenue	-	278,827	-	278,827	278,827	-100%
R16	Reimbursement for Capital Expenditure	-	1,091,258	-	1,091,258	1,091,258	-100%
R17	Miscellaneous	-	27,133	-	27,133	27,133	-100%
R18	Transfer in from BAHA Operation	290,781	245,634	-	245,634	(45,147)	-100%
Total Revenue		272,313,395	278,052,228	-	278,052,228	5,738,833	
Expenses:							
	Purchase Building	\$ 93,000,000	\$ 93,000,000	\$ -	\$ 93,000,000	\$ -	100%
E1	Building Development	154,207,882	153,391,309	541,822	153,933,131	(274,751)	99%
E2	Insurance	573,017	573,017	-	573,017	-	100%
E3	Development Contingency	400,000	-	-	-	(400,000)	0%
E4	Furniture, Fixtures, Equipment	15,000,000	15,000,000	-	15,000,000	-	100%
E5	12V Feed	307,606	307,606	-	307,606	-	100%
E6	EV Station Project	420,000	340,324	235	340,559	(79,441)	81%
E7	Staff Costs	8,404,890	8,262,311	-	8,262,311	(142,579)	98%
Total Expenses		272,313,395	270,874,567	542,057	271,416,624	(896,771)	
Transfer to CDF			5,738,833				

**BAHA Commercial Development Fund
As of December 2019 - Life To Date**

Program #	Budget	Tenant Improvements	Commissions	Total	LTD Expense	Enc Amt	Budget Bal Over/(Under)
	Sales Proceeds			\$ 24,139,154			
	Air District Contribution			3,000,000			
	BCDC			2,518,283			
	Cubic Reimbursement for TI			100,000			
				<u>\$ 29,757,437</u>			
9135	T.I. Rutherford and Chekene	\$ 1,112,749	\$ 123,181	\$ 1,235,930	\$ 1,235,930	\$ -	\$ -
9136	Conduent	-	110,975	110,975	110,975	-	-
9137	T.I. Degenkolb	1,834,670	452,740	2,287,410	2,287,410	-	-
9138	T.I. Twilio	8,341,957	1,836,460	10,178,417	10,178,398	-	(19)
9139	Engineering/Architectural	350,000	-	350,000	350,000	-	-
9140	T.I. Ada's Café	465,454	-	465,454	465,454	-	-
9141	BCDC	7,014,940	-	7,014,940	7,014,940	-	-
9142	Cubic	550,000	44,000	594,000	564,445		(29,555)
9144	Retail Space	5,000,000	-	5,000,000	3,583,318	1,301,145	(115,537)
	Total Tenant Improvements	\$ 24,669,770	\$ 2,567,356	\$ 27,237,126	\$ 25,790,870	\$ 1,301,145	\$ (145,111)
	Transfer Out - Building Improvement			\$ 2,100,000			
	Total Budgeted CDF Expenses			\$ 29,337,126	\$ 25,790,870	\$ 1,301,145	\$ (145,111)
	Net			\$ 420,311			

Completed Project

BAHA Building Improvement Fund
As of December 2019 - Life To Date

Program #	Program Name	LTD FY2019-20	LTD Expense	Enc Amt	Budget Bal Over/(Under)
	Transfer In	\$3,325,000			
	In-House Improvement Project				
9160	IT Improvement Project	\$1,015,000	\$321,435	\$69,573	-\$623,992
9161	Agency Space Moditications	300,000	6,660	4,170	-\$289,170
9162	Agency Infrastructure Improvements	250,000	0	0	-\$250,000
9163	Level 1 Public Space Modifications	400,000	0	0	-\$400,000
	Total In-House Project	<u>\$1,965,000</u>	<u>\$328,095</u>	<u>\$73,743</u>	<u>-\$1,563,162</u>
	CW Improvement Project				
9180	AHUs1-4 Eyebrow Install	\$860,000	\$55,048	\$804,952	\$0
9181	Building Improvement	500,000	236,832	205,115	-\$58,053
	Total CW Project	<u>\$1,360,000</u>	<u>\$291,880</u>	<u>\$1,010,067</u>	<u>-\$58,053</u>
	Total Building Improvement Budget	\$3,325,000	\$619,975	\$1,083,810	-\$1,621,215

Legislation Details (With Text)

File #:	20-0267	Version:	1	Name:	
Type:	Contract	Status:		Consent	
File created:	1/30/2020	In control:		Bay Area Headquarters Authority	
On agenda:	3/25/2020	Final action:			
Title:	BAHA Resolution No. 23 - Adoption of the Updated Small Business Enterprise (SBE) Program. A request to adopt BAHA Resolution No. 23, the updated Bay Area Headquarters Authority (BAHA) Small Business Enterprise (SBE) Program, which updates and combines the SBE Program for Civil Construction and the Pilot SBE Program for Professional Services.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	2c_BAHA_Reso-23_SBE_Program.pdf				

Date	Ver.	Action By	Action	Result
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Subject:

BAHA Resolution No. 23 - Adoption of the Updated Small Business Enterprise (SBE) Program. A request to adopt BAHA Resolution No. 23, the updated Bay Area Headquarters Authority (BAHA) Small Business Enterprise (SBE) Program, which updates and combines the SBE Program for Civil Construction and the Pilot SBE Program for Professional Services.

Presenter:

Edward Phillips

Recommended Action:

Authority Approval

Bay Area Headquarters Authority (BAHA)

March 25, 2020

Agenda Item 2c

BAHA Resolution No. 23 – Adoption of the Small Business Enterprise (SBE) Program

Subject: A request to adopt BAHA Resolution No. 23, the Bay Area Headquarters Authority (BAHA) Small Business Enterprise (SBE) Program, which updates the Pilot SBE Program for Professional Services into a comprehensive SBE Program that covers professional services projects as well as low bid construction projects.

Background: Currently BAHA has a Professional Services SBE Pilot Program (approved by BAHA in March of 2017).

The current SBE Program:

- Applies to non-federally funded and non-Architectural & Engineering (A&E) contracts with a budget in excess of \$25,000;
- Only accepts firms that are certified by the State of California as SBEs through the Department of General Services (DGS); and
- Allows for a Bid/Proposal Evaluation Preference discount of 5% or 5 points to the total amount of a bid/proposal submitted by a Bidder/Proposer for a contract solely for the purpose of bid/proposal comparisons when determining the lowest responsive and responsible bid/proposal. The Bid/Proposal Evaluation Preference applies when a Proposer meeting specifications is a certified SBE performing at least 40% of the work, or when a non-SBE Proposer is subcontracting at least 40% of the work to an SBE.

The objectives of the proposed updated SBE Program include:

- To increase the number of certified SBEs participating in non-federally funded and non-A&E contracts;
- To increase overall competition on non-federally-funded and non-A&E contracts potentially allowing for the completion of projects at a lower overall cost;
- To create a level playing field on which SBEs can compete fairly on non-federally funded and non-A&E contracts;
- To ensure that only SBE firms meeting the Program's eligibility requirements are eligible for the Bid/Proposal Evaluation Preference allowed under the SBE Program;
- To help remove barriers to the participation of SBEs in non-federally funded and non-A&E contracts; and
- To identify business enterprises that are qualified as SBEs and are qualified to provide BAHA with required materials, equipment, supplies and services.

To further the objectives of the Professional Services Pilot SBE Program, the proposed updated SBE Program being submitted to the Authority is a comprehensive SBE program that covers low bid construction projects and professional services projects that are non-federally funded and non-A&E procurements, broadens the acceptable certifications and expands the SBE Preference into a two-tiered program. The proposed updated SBE Program is a comprehensive SBE program that would cast a wider net to SBE firms in the nine county Bay Area and would increase the number of contracts with the SBE Preference being applied.

The proposed updated SBE Program:

- Applies to all non-federally funded and non-A&E contracts with a budget in excess of \$25,000;
- Broadens the acceptable certifications. To be eligible for the Bid/Evaluation Preference allowed under the SBE Program, firms (prime Contractor or Subconsultant/Subcontractor/Vendor) must be certified under any of the programs outlined below:
 - California Certified Small Business as certified by the California Department of General Services (DGS)
 - A Disadvantaged Business Enterprise (DBE) as certified by the California Unified Certification Program (CUCP)
 - City and County of San Francisco Local Business Enterprise (LBE) as certified by the Contract Monitoring Division (CMD)
 - Alameda County Small Local and Emerging Business (SLEB) program as certified by the Alameda County SLEB Certification Unit; or
 - DVBE/LBE/LGBTBE/MBE/SBE/WBE certification from a formal certifying agency in the nine county Bay Area, provided that the certification can be verified through a searchable database and meets the requirements of the State of California Small Business Program. (Disadvantaged Veteran Business Enterprise (DVBE), Local Business Enterprise (LBE), Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE), Minority Business Enterprise (MBE), Small Business Enterprise (SBE), Women Business Enterprise (WBE))
- Allows for a two-tiered Bid/Proposal Evaluation Preference to the total amount of a bid/proposal submitted by a Bidder/Proposer for the purpose of bid/proposal comparisons when determining the lowest responsive and responsible bid or most advantageous proposal.
 - A Bid/Evaluation Preference of five percent (5%) or five (5) points will be added to the total evaluation percentage

or points, when the Proposer meeting specifications commits to at least twenty-five percent (25%) SBE participation for the work (which can be achieved by the prime, by a sub(s), or a combination of prime and sub(s) who meet the requirements).

- A Bid/Evaluation Preference of 10 percent (10%) or ten (10) points will be added to the total evaluation percentage or points, when the Proposer meeting specifications commits to forty percent (40%) or more SBE participation for the work (which can be achieved by the prime, by a sub(s), or a combination of prime and sub(s) who meet the requirements).

Issues: None identified.

Recommendation: Staff recommends that the Authority adopt BAHA Resolution No. 23 Small Business Enterprise (SBE) Program.

Attachments: BAHA Resolution No. 23, Bay Area Headquarters Authority (BAHA) Small Business Enterprise (SBE) Program; and PowerPoint presentation



Therese W. McMillan

Date: March 25, 2020
W.I.: 1251, 1252, 1253, 1254, 1255
Referred by: BAHA

ABSTRACT

BAHA Resolution No. 23

This resolution adopts BAHA's Small Business Enterprise (SBE) Program ("Program") to increase the number of certified SBEs participating in non-federally funded and non-architectural and engineering contracts. The Program is intended to increase overall competition, provide a level playing field on which SBEs can compete fairly, provide economic opportunity for the residents and businesses, and stimulate economic development in the San Francisco Bay region.

Discussion of this action is contained in the BAHA Summary Sheet dated March 25, 2020.

Date: March 25, 2020
W.I.: 1251, 1252, 1253, 1254, 1255
Referred by: BAHA

Re: Adoption of BAHA's Small Business Enterprise (SBE) Program

BAY AREA HEADQUARTERS AUTHORITY
RESOLUTION NO. 23

WHEREAS, the Bay Area Headquarters Authority (BAHA) was established pursuant to Section 30950 *et seq.* of the Streets and Highways Code; and

WHEREAS, BAHA currently has a Professional Services Small Business Enterprise Pilot Program that was approved by BAHA in March of 2017, and

WHEREAS, this SBE Program includes low bid construction projects and professional services projects in a revised and comprehensive SBE Program; and

WHEREAS, BAHA wishes to increase the number of certified Small Business Enterprise (SBE) firms participating in BAHA materials, equipment, supplies, services and construction contracts, help remove barriers to the participation of SBEs, provide economic opportunity for the residents and businesses, and stimulate economic development in the San Francisco Bay Area Region; and

WHEREAS, providing assistance to SBE firms could increase the number of certified SBEs participating, and increase competition on non-federally-funded contracts potentially allowing for the completion of projects at a lower overall cost; and

WHEREAS, BAHA has an approved Professional Services Pilot Small Business Enterprise (SBE) Program ("Program") that applies to non-federally funded, non-architectural and engineering (A&E) professional services contracts with a budget in excess of \$25,000; and

WHEREAS, the Program would apply to any firm that is certified under any of the following certifications: State of California Department of General Services (DGS) SBE Program, California United Certification Program DBE certification; City and County of San Francisco Contract Monitoring Division Local Business Enterprise (LBE) certification; Alameda County Small Local and Emerging Business (SLEB) certification; or Disadvantaged Veteran Business Enterprise (DVBE) / LBE / Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE) / Minority Business Enterprise (MBE) / SBE / Women's Business Enterprise (WBE) certifications from a formal certifying agency in the nine county Bay Area provided that the certification can be verified through a searchable database and meets the requirements of the State of California Small Business Program; and

WHEREAS, the Program allows for a two-tiered bid evaluation preference to be applied to materials, equipment, supplies, services and construction contracts when the requirements for participation are met; and

WHEREAS, the SBE Program describes the monitoring, compliance, oversight and enforcement requirements to ensure that SBE participation is achieved; now, therefore, be it

RESOLVED, that BAHA hereby adopts the SBE Program set forth in Attachment A; and be it further

RESOLVED, that adoption of this SBE Program supersedes the Professional Services Small Business Enterprise Pilot Program; and be it further

RESOLVED, that the Executive Director is hereby authorized to revise the SBE Program set forth in Attachment A as may be required from time to time due to changes in law, regulation or procedures relating to the SBE Program and to take such actions as may be necessary or appropriate to implement the SBE Program; and be it further

RESOLVED, that this resolution shall take effect from and after its adoption.

BAY AREA HEADQUARTERS AUTHORITY

Scott Haggerty, Chair

The above resolution was entered
into by the Bay Area Headquarters Authority
at a regular meeting of the Authority held in
San Francisco, California, on March 25, 2020.



BAY AREA HEADQUARTERS AUTHORITY

Regional Agency Headquarters
375 Beale Street, San Francisco, CA 94105

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Bay Area Headquarters Authority

Small Business Enterprise (SBE) Program

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OBJECTIVES/POLICY STATEMENT

In order to provide economic opportunity for residents and businesses, and stimulate economic development in the San Francisco Bay Area Region, the Bay Area Headquarters Authority (BAHA) hereby establishes a Small Business Enterprise (SBE) Program (“SBE Program” or “Program”) to assist SBE firms in participating in BAHA non-federally funded, non-architectural and engineering (A&E) materials, equipment, supplies, services and construction contracts. This Program is aimed at using the power of the public purse to stimulate economic development.

The objectives of the SBE Program include:

1. To increase the number of certified SBEs participating in non-federally funded, non-A&E contracts;
2. To increase overall competition on non-federally funded, non-A&E contracts potentially allowing for the completion of projects at a lower overall cost;
3. To create a level playing field on which SBEs can compete fairly on non-federally funded contracts;
4. To ensure that only SBE firms (prime Consultant/Contractor or Subconsultant/Subcontractor/Vendor) meeting the Program’s eligibility requirements are eligible for the Evaluation Preference allowed under the Program;
5. To help remove barriers to the participation of SBEs in non-federally funded contracts; and
6. To identify business enterprises that are qualified as SBE’s and are qualified to provide BAHA with required materials, equipment, supplies and services.

The Director of Administration & Facilities Services Section (AFS) has been designated as the SBE Liaison Officer (SBELO). In that capacity, the AFS Director is responsible for implementing all aspects of the Program. Implementation of the SBE Program is intended to be consistent with the MTC Disadvantaged Business Enterprise (DBE) Program.

SUBPART A – GENERAL REQUIREMENTS

A.1 Objectives

The objectives are found in the policy statement on the first page of this Program.

A.2 Applicability

BAHA is a recipient of state and local funds. As a condition of this assistance, and in compliance with Proposition 209, BAHA shall implement this Program without consideration of race, sex, or ethnicity. This Program sets forth the policies and procedures to be implemented by BAHA to confirm that small businesses have the maximum opportunity to participate in BAHA non-federally funded materials, equipment, supplies, services and construction contracts.

When a non-federally funded, non-A&E contract is awarded to a Consultant/Contractor/Vendor based on the Evaluation Preference described in C.1 of this Program, the Consultant/Contractor/Vendor must adhere to all the requirements included in this Program.

This Program applies solely to non-federally funded, non-A&E materials, equipment, supplies, services and construction contracts.

A.3 Definitions

BAHA adopts the following definitions listed below for this SBE Program:

1st Tier Subconsultant/Subcontractor/Vendor – A subconsultant or subcontractor to a Consultant or Contractor.

2nd Tier Subconsultant/Subcontractor/Vendor – A subconsultant or subcontractor to a 1st Tier subconsultant or subcontractor.

AFS – Administrative and Facilities Services Section.

BAHA – Bay Area Headquarters Authority

Bid – The offer of the bidder for the construction project when completed and submitted in response to an IFB on the prescribed bid form.

Bid Preference – The application of a percentage discount to the total amount of a bid submitted by a Bidder for a contract solely for the purpose of bid comparisons when determining the lowest and best bid, or lowest responsible bid. The use of a bid preference for bid comparison does not alter the total amount of the bid submitted by a bidder or the contract executed based on a bid.

Business Suppliers – An individual or business entity that makes available a certain commodity for meeting demand or for purchase at a given price.

Civil Construction – Civil Construction is a segment of the broader construction industry focused on building core infrastructure such as highways, roads, bridges, telecommunications, subway

tunnels, light rail transit lines and public buildings.

Commercially Useful Function (CUF) – An SBE performs a commercially useful function when it is responsible for the execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. An SBE does not perform a CUF if it does not perform or exercise responsibility for at least 60 percent of the total cost of its contract that would be expected on the basis of normal industry practice for the type of work involved. If, in BAHA's judgment, the SBE does not perform a CUF in the transaction, no Evaluation Preference will be awarded.

Community Based Organization (CBO) – A non-government agency created to provide training, employment or community assistance.

Consultant/Contractor/Vendor – The individual, partnership, corporation, joint venture or other legal entity entering into a contractual agreement with BAHA.

Evaluation Preference – The application of a percentage or point preference to the total evaluation score of a Proposer for a procurement or solicitation, solely for the purpose of Proposal or SOQ comparisons when determining the highest ranked Proposal or SOQ. The use of an Evaluation Preference for Proposal or SOQ comparison will alter the total percentage or points allotted to the Proposer.

Invitation for Bid (IFB) – Invitation for Bid issued by BAHA for construction services.

Manufacturer – A firm that operates or maintains a factory or establishment that produces on the premises the materials or supplies purchased.

MTC - Metropolitan Transportation Commission.

Monitoring – The system established to measure compliance with the Program.

Post Award – The meeting held between BAHA and Consultants/Contractors/Vendors after the award of a Professional Services or civil construction project and before contract execution. Post award meetings occur at the request of either BAHA or Consultant/Contractor/Vendor.

Professional Services – any non-public works service(s). Professional Services contracts may contain a minor public works component.

Proposer – Consultant/Contractor/Vendor submitting a Proposal or SOQ in response to a RFP or RFQ.

Proposal – An offer of a Proposer to provide Professional Services, in response to an RFP.

Request for Proposal (RFP) – RFP issued by BAHA for Professional Services.

Request for Qualifications (RFQ) – RFQ issued by BAHA for Professional Services.

SBE Program – The BAHA SBE Program.

Small Business Enterprise (SBE) – A firm that meets the requirements set forth in Section B.3 Certification Standards and SBE Directories.

SBE Broker – An SBE Broker is a firm that is not a vendor but is providing assistance in the procurement of required materials or supplies.

SBE Dealer – An SBE Dealer is a firm that owns, operates or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the Agreement are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. The firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question.

SBE Directory – The list of firms certified under any of the programs outlined in Section B.3 Certification Standards and SBE Directories, which is used by BAHA and its Consultants/Contractors/Vendors to identify potential SBE Consultants/Contractors/Vendors and Subconsultants/Subcontractors/Vendors and suppliers.

SBELO – Small Business Enterprise Liaison Officer.

SOQ – A statement of qualifications submitted by a Proposer in response to an RFQ.

Subcontract – A contract entered into between a Consultant/Contractor/Vendor with a Subconsultant/Subcontractor/Vendor.

Subconsultant/Subcontractor/Subvendor – The individual, partnership, corporation or other legal entity that contracts to perform part of or all of the obligations of another's contract.

Subrecipient – Any agency that receives funds from BAHA via statute, an interagency, cooperative or funding agreement.

Utilization – Percentage of total dollars of a type of work going to SBEs.

Web-based Diversity Tracking System – The diversity tracking software provided by BAHA to Consultants/Contractors/Vendors accessible from any internet browser on any platform or operating system.

SUBPART B - ADMINISTRATIVE REQUIREMENTS

B.1 Program Updates

The SBELO or designee will provide the appropriate authorizing board with updates representing significant changes in the Program.

B.2 SBELO and Program Implementation

BAHA has designated the following individual as its SBE Liaison Officer (SBELO):

Director of Administration and Facilities Section (AFS)
Metropolitan Transportation Commission 375 Beale St, Suite 800
San Francisco, CA 94105
Phone: (415) 778-6700
Email: contracts@bayareametro.gov

In that capacity, the SBELO is responsible for implementing all aspects of the SBE Program and ensuring that BAHA complies with all provisions of the SBE Program. The SBELO has direct, independent access to the Executive Director concerning SBE Program matters.

The SBELO is responsible for developing, implementing and monitoring the SBE Program, in coordination with other appropriate officials. The SBELO has staff to assist in the administration of the SBE Program. The duties and responsibilities include the following:

1. Gathers and reports statistical data and other information as required.
2. Reviews third party contracts and purchase requisitions for compliance with the SBE Program.
3. Works with AFS staff to determine if a Proposer/Bidder has achieved the requirements for the Evaluation Preference.
4. Confirms that notices of procurement and solicitations are available to SBEs in a timely manner.
5. Identifies qualified contracts and procurements so that SBE preferences are included in all applicable procurements.
6. Analyzes BAHA's progress toward SBE attainment and identifies ways to improve progress.
7. Participates in pre-proposal/pre-bid meetings.
8. Advises the Executive Director and/or the appropriate authorizing board on SBE matters and achievement.
9. Provides outreach to SBEs and CBOs to advise them of opportunities and technical assistance to SBEs to assist in Proposal, SOQ and/or bid preparation and obtaining bonding and insurance.

B.3 Certification Standards and SBE Directories

BAHA does not administer an SBE certification program. To be eligible for the Bid/Evaluation Preference allowed under the SBE Program, firms (prime Contractor or Subconsultant/Subcontractor/Vendor) must be certified under any of the programs outlined below:

1) *California Certified Small Business as certified by the California Department of General Services (DGS) -Procurement Division (PD) - Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS)*

The State of California SBE Directory can be accessed at:

<https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>

2) *A Disadvantaged Business Enterprise (DBE) as certified by the California Unified Certification Program (CUCP)*

The CUCP Directory can be accessed at:

<https://dot.ca.gov/programs/business-and-economic-opportunity>

3) *City and County of San Francisco Local Business Enterprise (LBE) as certified by the Contract Monitoring Division (CMD) Directory Certification Unit*

The Directory of Certified LBEs can be accessed here:

<https://sfgov.org/cmd/directory-certified-lbes>

4) *Alameda County Small Local and Emerging Business (SLEB) program as certified by the Alameda County SLEB Certification Unit*

The SLEB Supplier Query System Database can be accessed at:

https://www.acgov.org/sleb_query_app/gsa/sleb/query/slebresultlist.jsp?smEmInd=C

5) DVBE/LBE/LGBTBE/MBE/SBE/WBE certification from a formal certifying agency in the nine county Bay Area, provided that the certification can be verified through a searchable database and meets the requirements of the State of California Small Business Program¹. (Disadvantaged Veteran Business Enterprise (DVBE), Local Business Enterprise (LBE), Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE), Minority Business Enterprise (MBE), Small Business Enterprise (SBE), Women Business Enterprise (WBE))

Note:

¹ Per Title 2, California Code of Regulations, § 1896.12. Eligibility for Certification as a Small Business.

To be eligible for certification as a small business, a business must meet all of the following qualifying criteria:

- (1) It is independently owned and operated; and
- (2) Its principal office is located in California; and
- (3) The officers of the business (in the case of a corporation); officers and/or managers, or in the absence of officers and/or managers, all members in the case of a limited liability company; partners in the case of a partnership; or the owner(s) in all other cases, are domiciled in California; and
- (4) It is not dominant in its field of operation(s), and
- (5) It is either:

(A) A business that, together with all affiliates, has 100 or fewer employees, and annual gross receipts of fifteen million dollars (\$15,000,000) or less as averaged for the previous three (3) tax years, as biennially adjusted by the Department in accordance with Government Code § 14837(d)(3) (If the business or its affiliate(s) has been in existence for less than three (3) tax years, then the GAR will be based upon the number of years in existence); or

(B) A manufacturer as defined herein that, together with all affiliates, has 100 or fewer employees.

B.4 Record Keeping Requirements

When a non-federally funded, non-A&E contract is awarded to a Consultant/Contractor/Vendor based on the Evaluation Preference listed in Subpart C, Section C.1 of this SBE Program, AFS will monitor the contract per Subpart D, to confirm that the Consultants/Contractors/Vendors are in compliance with the requirements of the SBE Program. AFS staff will report SBE participation to the appropriate authorizing board via reports generated from the web-based diversity tracking system.

BAHA will require Consultants/Contractors/Vendors to maintain records and documents of payments to all Subconsultants/Subcontractors/Vendors (SBEs and non-SBEs) for four (4) years following the completion of the contract. BAHA will perform interim reviews of contract payments to SBEs. Payments to SBE Subconsultants/Subcontractors/Vendors will be reviewed to verify that the actual amount paid to SBE Subconsultants/Subcontractors/Vendors equals or exceeds the dollar amounts stated in the schedule of SBE participation included in the contract.

B.5 Public Outreach

BAHA will participate in outreach events with other San Francisco Bay Area transportation agencies and CBOs to leverage its efforts to assist SBE firms. BAHA will also participate in Caltrans' CalMentor Protégé Program for small business development.

SUBPART C – EVALUATION PREFERENCE AND SBE PARTICIPATION

C.1 Evaluation Preference

BAHA will allow an evaluation preference to be applied as a percentage discount to the total amount of a proposal/bid submitted by a Proposer/Bidder for a contract solely for the purpose of bid comparisons when determining the lowest and best bid, or lowest responsible bid. The use of an evaluation preference for Proposal, SOQ, or Bid comparison does not alter the total amount of the bid submitted by a bidder or the contract executed based on a bid. The SBE Program evaluation preference will be applied to all locally-funded solicitations when issued.

The Evaluation Preference applied as a percentage or point preference to the total evaluation percentage or points of a Proposal, SOQ, or Bid submitted by a Proposer/Bidder for a contract will be solely for the purpose of evaluation comparisons when determining the highest ranked Proposal or SOQ. The use of an Evaluation Preference for Proposal, SOQ or Bid comparison will alter the total evaluation percentage or points allotted to a Proposer/Bidder.

The Evaluation Preference will be applied to all non-federally funded solicitations. The Evaluation Preferences will be applied as follows after BAHA verifies that the responsiveness requirements have been met:

- An Evaluation Preference of five percent (5%) or five (5) points will be added to the total evaluation percentage or points, when the Proposer meeting specifications commits to twenty-five percent (25%) SBE participation for the work (which can be achieved by the prime, by a sub(s), or a combination of prime and sub(s) who meet the requirements set forth in Section B.3 of this SBE Program), or
- An Evaluation Preference of 10 percent (10%) or ten (10) points will be added to the total evaluation percentage or points, when the Proposer meeting specifications commits to forty percent (40%) SBE participation for the work (which can be achieved by the prime, by a sub(s), or a combination of prime and sub(s) who meet the requirements set forth in Section B.3 of this SBE Program).

AFS staff will monitor BAHA's SBE Program to confirm that the Consultants/Contractors/Vendors are in compliance with the requirements of the SBE Program. The report of SBE awards, commitments and payments will be generated from the web-based diversity tracking system.

C.2 Maintaining Participation

Once a project begins, it is important to achieve and maintain the level of SBE participation that allowed the Evaluation Preference. Prime Consultants/Contractors/Vendors must maintain the SBE percentages indicated in the Proposal, SOQ or Bid documents at the time of Proposal, SOQ or Bid submittal throughout the term of the contract.

If BAHA modifies the original scope of work, the Consultant/Contractor/Vendor must make reasonable efforts to maintain the SBE participation that allowed the Evaluation Preference. In the event of amendments, AFS staff may use their discretion to allow adjustments to SBE percentages for the amended portion of the work. Upon request, BAHA staff will help firms to determine methods of maintaining percentages.

Should the prime Consultant/Contractor/Vendor fail to maintain the SBE participation listed at the time of Proposal, SOQ or Bid submittal, BAHA reserves the right to enforce Consultant/Contractor/Vendor compliance with this SBE Program through one or more of the remedies included in Section D.3 of this SBE Program.

C.3 Substitution of Listed Subcontractors

Substitution of listed Subconsultants/Subcontractors/Vendors shall generally be made in accordance with Public Contracts Code Section 4107. In addition, the SBELO must concur in any decision to permit substitution of a SBE Subconsultant/
Subcontractor/Vendor when the award was made on the basis of the Evaluation Preference listed in Section C.1 above.

C.4 Joint Venture Agreements

A business that is competing for BAHA contracts may associate with a certified SBE business to compete for contracts as a Joint Venture (JV). JVs receive an Evaluation Preference depending upon the SBE percentage of participation as set forth in Section C.1 of Subpart C, Evaluation Preference and SBE Participation. The parties must agree to enter into the relationship for at least the term of the project.

Basic Elements of the Joint Venture Agreement

A JV must submit a JV Management Plan and/or a JV Agreement in their Proposal or SOQ. Each agreement or management plan must include, but is not limited to the following:

- Detailed explanation of the financial contribution of each partner;
- List of the personnel and equipment used by each partner;
- Detailed breakdown of the responsibilities of each partner;
- Explanation of how the profits and losses will be distributed;
- Description of the bonding capacity of each partner; and
- Management or incentive fees available for any one of the partners (if any).

Commercially Useful Functions (CUF) Performed by Joint Venture Partners

Each JV partner must perform a “commercially useful function” as that term is

defined herein. A SBE that relies on the resources and personnel of a non-SBE firm will not be deemed to perform a CUF.

Joint Venture License Requirements

Each JV partner must possess qualifications, certifications, accreditations, or licenses appropriate for the discipline for which a Proposal, SOQ or Bid is being submitted. If a JV is proposing/bidding on a project requiring license or certification, at the time of Proposal, SOQ or Bid submittal, each of the JV partners must hold a JV License or Certification and possess the requisite specialty license or certification for that profession.

Delineation of Joint Venture Work

The SBE partner must clearly define the portion of the work to be performed during the project. This work must be of the similar type of work the SBE partner performs in the normal course of its business. The Proposal, SOQ or Bid must specify the portions of the project to be performed by each individual JV partner. Lump sum JV participation is not acceptable.

Responsibilities of the SBE Joint Venture Partners

The SBE partner must share in the ownership, control, management responsibilities, risks, and profits of the JV in proportion with level of participation in the project; the SBE partner must perform work that is commensurate with its experience. The SBE partner must use its own employees and equipment to perform its portion of the project. Only the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the SBE performs with its own forces will be counted toward SBE participation

Application of Evaluation Preference for Joint Venture Agreements

To be eligible for an Evaluation Preference, at the time of Proposal, SOQ or Bid submittal, each JV partner must each have the qualification, certification, accreditation, or license that is appropriate for the project as required in the contract document of the contract award authority. Unless permission is granted by the SBELO or designee for good cause shown, based on sudden and unexpected necessity, the following actions are not permitted: i) the non-SBE partner performing work for the SBE partner; ii) leasing of equipment or property by the SBE partner from the non-SBE partner; and iii) the hiring of the non-SBE partner's employees by the SBE partner.

Other Joint Venture Conditions

The SBELO or a designee must first approve the SBE JV Agreement/Management Plan before the JV is eligible for an Evaluation Preference. Any changes must also receive the prior approval of the SBELO or designee. In addition to any other information required by conditions specified herein, each SBE JV must provide upon request, cancelled checks and any other financial records to BAHA.

C.5 Counting SBE Participation

SBEs may perform as Consultants/Contractors/Vendors, 1st tier Subconsultants/Subcontractors/Vendors, or 2nd tier Subconsultants/Subcontractors/Vendors. Only the value of the work to be performed by the SBE, including materials and supplies, will be counted toward SBE participation.

A SBE must perform a commercially useful function, i.e., must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing and supervising the work. If an SBE 1st Tier or 2nd Tier Subconsultant/Subcontractor/Vendor does not perform or exercise responsibility for at least sixty percent (60%) of the total cost of its contract with its own work force, or if the SBE subcontracts a greater portion of work of a contract than would be expected on the basis of normal industry practice, then it will be presumed that the SBE is not performing a CUF.

Credit for an SBE Dealer of materials or supplies is limited to sixty percent (60%) of the amount to be paid to the vendor for the materials or supplies unless the vendor manufactures or substantially alters the goods. Credit for SBE Brokers is limited to only the fees and commissions portion of the amount paid. All other firms receive 100% credit, less work subcontracted by the SBE to non-SBE firms.

During the term of a contract, work performed by SBE firms whose certification has expired will continue to be counted toward the SBE participation.

SUBPART D – COMPLIANCE AND ENFORCEMENT

D.1 Monitoring

When a contract is awarded to a Consultant/Contractor/Vendor based on the Evaluation Preference listed in Subpart C, Section C.1 of this Program, AFS will monitor the contract per Subpart D, to confirm that the Consultants/Contractors/Vendors comply with the requirements of the Program. AFS staff will report SBE participation to the appropriate authorizing board via reports generated from the web-based diversity tracking system.

BAHA will require Consultants/Contractors/Vendors to maintain records and documents of payments to all Subconsultants/Subcontractors/Vendors (SBEs and non-SBEs) for four years following the performance of the contract. BAHA will perform interim reviews of contract payments to SBEs. Payments to SBE Subconsultants/Subcontractors/Vendors will be reviewed to verify that the actual amount paid to SBE Subconsultants/Subcontractors/Vendors equals or exceeds the dollar amounts stated in the schedule of SBE participation included in the contract.

Subrecipients may be required to submit verification of their eligibility for participation in the SBE Program and to provide annual reports of SBE utilization on Professional Services or Civil Construction projects achieved under the SBE Program.

BAHA has implemented the following monitoring mechanisms to monitor Consultant/Contractor/Vendor compliance with Program requirements:

1. The SBELO or designee will verify that work committed to SBEs at contract award is actually performed by the SBEs.
2. The SBELO or designee will keep a running tally of actual payments to SBE firms for work committed to them at the time of contract award with the use of BAHA's web-based diversity tracking system.

If a Professional Services or Construction project has a public works portion of work valued over \$1,000.00, the State's Labor Code requires Consultants/Contractors/Vendors to pay their employees in accordance with general prevailing wages that apply to that portion of the work. The prime Contractor and all Subconsultants/Subcontractors/Vendors including, if applicable, truckers and owner/operators are required to submit certified payroll records in accordance with Labor Code section 1776 upon request from BAHA. Failure to submit certified payroll records could result in withholding of progress payment(s).

Upon request, Consultants/Contractors/Vendors will provide BAHA with executed copies of its Subconsultant/Subcontractor/Vendor agreements to verify dollar amounts stated for all SBEs.

D.2 SBE Utilization Report

Consultants/Contractors/Vendors are required to submit monthly SBE Utilization Reports electronically to MTC AFS. The Consultant/Contractor/Vendor will document the dollar value of payments to SBE firms and the percentage of the contract completed. BAHA will monitor the contract for compliance with SBE requirements.

This system is web-based, accessible from any computer via the internet. Each Consultant/Contractor/Vendor and Subconsultant/Subcontractor/Vendor will receive an email providing them with Log On identification, a temporary password and instructions on how to use the system. Training will also be provided upon request. Consultant/Contractor/Vendor will include this requirement in all of its subcontracts and purchase orders when required to provide or verify SBE utilization documentation.

If the SBE Utilization Reports indicate potential problems, such as a failure to comply with the contract SBE participation, the Consultant/Contractor/Vendor shall meet with the BAHA SBELO or designee to address any deficiencies and discuss appropriate corrective actions. When the Contract completion reaches 50% and the SBE participation completed is less than 50%, a detailed report of the reasons why must be submitted to BAHA stating a plan to reach the SBE participation by Contract completion.

Prior to final payment, Consultant/Contractor/Vendor will be required to submit a final SBE Utilization Report by selecting the "Final Audit" reporting designation within the web-based diversity tracking system. In addition to payments to the SBEs, the final report must include payments to and other information about all other businesses, including non-SBE Subconsultants/Subcontractors/Vendors, suppliers of materials and others.

D.3 SBE Program Enforcement

BAHA has available several remedies to enforce compliance of the SBE Program requirements contained in its contracts, including, but not limited to, the following:

1. Breach of contract action, resulting from a violation of the terms of the RFP, RFQ or IFB and contract.
2. Assessment of a penalty of up to one and one half times the amount that should have been awarded to SBE(s).
3. Termination of Contractor's performance of work under the contract.
4. Any other remedy available to BAHA in the contract or the relevant RFP, RFQ or IFB.

Updated Small Business Enterprise (SBE) Program

Staff is proposing to formalize the current professional services Small Business Enterprise (SBE) Pilot Program into an updated comprehensive program

The Current Program

Professional Services SBE Pilot Program (BAHA Oversight Committee approval in March 2017)

Applicable to:	Acceptable Certifications:	Bid/Evaluation Preference:	Statistics:
Non-Federally Funded and Non-Architectural & Engineering Contracts	State of California Department of General Services (DGS) SBE Program	5% bid discount applied if the lowest responsive, responsible bidder is a certified SBE and is performing at least forty percent (40%) of the work OR commits to subcontract with certified SBE firm(s) for at least 40% of the work	13 RFP/RFQs have been issued with the SBE Pilot Program applied, 6 of which were awarded based on the SBE Preference resulting in commitments to SBEs of \$21,623,124.83

The Updated SBE Program

- Is a comprehensive SBE Program Construction Project that applies to construction and professional services non-federally funded and non-Architectural & Engineering (A&E) procurements.
- Broaden the acceptable SBE certifications in order to cast a wider net to SBE firms in the Bay Area, including Disadvantaged Business Enterprise (DBE), Disadvantaged Veteran Business Enterprise (DVBE), Local Business Enterprise (LBE), Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE), Minority Business Enterprise (MBE) and Women Business Enterprise (WBE).
- Allows the bid/evaluation preference to be met by a combination of prime and or subcontractor participation
- Revise the bid or evaluation preference into a two-tiered program, which allows:
 - **5% bid or evaluation** applied if the lowest responsive, responsible bidder or proposer commits to at least twenty-five percent (25%) SBE Participation, or
 - **10% bid or evaluation** applied if the lowest responsive, responsible bidder or proposer commits to at least forty percent (40%) SBE Participation

The benefits of the updated program are:

- Increase opportunity for SBEs to participate in contracts by broadening the acceptable certifications allowed in the program to remove bureaucratic certification barriers
- Providing a two-tiered Bid/Evaluation Preference
- Allowing SBE participation levels to be met by prime SBEs, subconsultant SBEs or a combination of the two

Next Steps

- Staff has and will continue to present resolutions for adoption of the updated SBE Program to the appropriate committees and/or authorities including MTC, BATA, BAIFA, BAHA and MTC SAFE
- Collaborate with stakeholders, including the Equity and Access subcommittee of the Policy Advisory Council, to identify and implement outreach strategies
- Staff training and inclusion of the program in MTC's policies and procedures

Staff recommends that the Authority adopt BAHA Resolution No. 23 Small Business Enterprise (SBE) Program.

Questions