



# CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



Edwin M. Lee, Mayor  
Naomi M. Kelly, City Administrator

Romulus Asenloo, Acting Director

## LBEAC October 6, 2016 Meeting Minutes

### 1. Call to Order

*Committee Members present:* Matthew Ajiake, Emylene Aspillá, Juliana Choy-Sommer, Darolyn Davis, Boris Delepine, Elahe Enssani, Miguel Galarza, Alan Guy, Virginia Harmon, Robert Lo, Iris Martin-Lopez, Wayne Perry, Ruben Santana

*Committee Members Absent:* Clifton Burch, Stacey Camillo

*Staff Present:* CMD: Romulus Asenloo, Yumiko Maeda, Stephanie Tang, Nichole Truax, Ryan Young

*Other City Personnel:* Jennifer Johnston, Deputy City Administrator; Rosiana Angel, SFPUC; Ivy Fine, SFPUC; Alaric Degrafinried, SFPUC; Nicolas King, Public Works

Chair Galarza called the meeting to order at 10:12 a.m.

### 2. Update and Discussion on the Best Value Public Works Procurement

#### a. Nicolas King of Public Works presented an update on the Best Value Public Works Procurement.

- i. Best Value will apply to certain projects
- ii. Implementation will most likely be in 2017
- iii. Public Works Contract Administration is still working on developing procedures that make sense and educating staff
- iv. One of the goals of the Best Value Approach is to do a better job of evaluating projects and track performance
  - Poor evaluation versus being deficient
    - If poor evaluation, equivalent to a D- , then the firm has to be given due process rights to cure the issues

### 3. Presentation by Rosiana Angel of the SFPUC on the Contract Payment Process

- a. FSPs will be replacing Solis/FAMIS, which will include, but not be limited to, the following:
  - i. Continue online billing
  - ii. Public Search function (scope of work, invoices, how much a party is paid, etc.)
  - iii. Notification capability (participating parties are notified when the prime is paid)
  - iv. Approve change orders
  - v. Certify funds
  - vi. Track changes to original Schedule of Bid Prices
  - vii. Track/update Form 7 and Form 9 information

- b. Questions/concerns raised
    - i. Will it help mitigate delays in payment? Yes
    - ii. Will the bidding be online for construction contracts? Yes
    - iii. Desire for Departments to communicate with Project Managers about the ability to release professional service retention funds sooner than once a year.
  - c. Major change is that there will be one system that makes it easier for Awarding Departments, CMD and contractors to monitor/track contract performance and payments
- 4. Update, discussion and possible action on potential changes to the Rules and Regulations Applicable to LBE Supplier Certification
  - a. Based on concerns/problems/issues that have arisen from the current language in the Rules and Regulations regarding LBE Suppliers, the LBEAC has looked into how it can support existing and emerging suppliers while weeding out potential brokers.
  - b. Based on survey responses, information gathered from the public forum held, information obtained at the LBEAC and the subcommittee tasked with examining this issue, below are the main proposed recommendations/changes to the Chapter 14B Rules and Regulations:
    - i. the “direct relationship with manufacturers” provision should be stricken
    - ii. Provision #3 should be reviewed to determine the standards for bid discount eligibility. The committee should consider whether compliance officers need only verify that the vendor is approved for the corresponding certification category
    - iii. A warehouse with an office shall be a fixed location and open to the public during normal business hours
    - iv. Bid discounts shall not be applied for commodities contracts for specially/specialty manufactured items
    - v. Due to the unique industry practices and intangible nature of the products, the committee should consider recommending a separate category for IT (no delivery of supplies like other industries)
    - vi. OCA should look into letting out more Micro-LBE Set-Asides for commodities contracts in order to give smaller suppliers a chance to build capacity
  - c. The LBEAC subcommittee tasked with looking into this issue will provide the exact recommendations at the next LBEAC meeting.
- 5. Approval of Meeting Minutes
  - a. The LBEAC Meeting Minutes of August 4, 2016 were approved by the following vote:
    - i. Ayes: 9 – Ajiake, Aspillá, Choy-Sommer, Delepine, Galarza, Lo, Martin-Lopez, Perry, Santana
- 6. Staff Report/Updates
  - a. None

7. Suggestions from Committee Members on Future Agendas
  - a. Possible inclusion of a Certification Activity Report (update on newly certified firms and the categories they are certified in).
  - b. How to increase participation for Port contracts
  - c. Update on the Mentor-Protégé Program

8. Adjournment

The Committee adjourned at noon.