



CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



LBEAC October 3, 2019 Meeting Minutes

1. Call to order

Chair Galarza called the meeting to order at 10:09 a.m.

Committee Members Present:

Matthew Ajiake, Juliana Choy-Sommer, Darolyn Davis, Alaric Degrafinried, Boris Delepine, Miguel Galarza, Virginia Harmon, Dwayne Jones, Iris Martin-Lopez.

Committee Members Absent: Emylene Aspilla, Bruce Giron, Elahe Enssani, Alan Guy, Wayne Perry, Ruben Santana.

Staff Present: CMD: Romulus Asenloo, Regina Chan, Jason Chow, Mindy Lee, Vivian Liu, Stephanie Tang, Nichole Truax.

Other City Personnel: Kyndra Cox, SFPUC; Ivy Fine, SFPUC.

Public Present: Reva Murphy, Reva Murphy Association; Suzanne Souva, Bonner Communications; Noelle Bonner, Bonner Communications; Nick Colina, Anco Iron & Construction; Pete Varma, National Association of Minority Contractor for Northern California; Jack Tse, Brookfield; Muhammed Al-Kareem, Rhodes Painting & Decorating.

2. Citywide Project Labor Agreement Ordinance Update:

- a. The negotiation did not result in a conclusion by the original deadline. A letter was drafted to request for an extension and it was approved.
- b. New deadline to have the PLA in place is December 1st, 2019.

3. Increasing the Threshold for Professional Service Categories

- a. There is support from the Board of Supervisors and City Administrator Office in raising the Professional Services threshold. How much will the threshold be is yet to be determined.
- b. There has been talk in the public sphere about increasing the size standard for Construction. No discussion has taken place within the LBE committee regarding this matter thus far.
- c. Nick Colina from Anco Iron & Construction believes that once the firm reaches the threshold, you are now responsible to help smaller businesses grow and shouldn't be part of the LBE program anymore. Increasing the size standard is not going to help the local small minority contractors.
- d. Rita Murphy commented that larger firms should be mentoring smaller firms; Size standard shouldn't be increased to satisfy a small group that wants to stay in the program.
- e. Darolyn Davis commented that the City Administrator Office has requested to verify and evaluate the numbers that was put forward in terms of what the threshold should be for

various categories under Professional Services. Currently waiting for feedback on the numbers that was proposed.

- f. Suggestion was made to keep the size standard issue for Construction and Professional Services separately with separate working groups because the need of the groups is different.
 - g. Pete Varma from the National Association of Minority Contractor for Northern California Chapter presented the challenges that minority contractors will face if the size standard is increased.
 - h. Noelle Bonner from Bonner Communication has a meeting with Supervisors Walton on Oct 21st to discuss the size standard issue. This meeting will have both Professional Services and Construction representation.
 - i. Mohammad Al- Kareem from Rhodes Painting and Decorating expressed his opinion on how minority contractors are being excluded from doing business with the City because of certain processes. Mohammad would like the City to find ways, so minority contractors can participate on City contracts.
4. Application of the Rating Bonus on Professional Service Contracts
- a. A meeting took place with Alaric Degrafinried, Ivy Fine, Miguel Galarza, Darolyn Davis, and Iris Martin Lopez regarding this issue.
 - b. To prevent fraud, LBE firms need to be certified in a particular category in order to be eligible to receive LBE credit on projects. Further, it is important that firms are not on projects receiving compensation to meet LBE requirement where there is no meaningful participation – which is the intent of identification of the LBE certification. It allows eligible firms to participate and do the work, so the work is not being taken away by non-eligible firms. If there is a firm that believes they are eligible to participation on a particular project, then that firm must ensure that their certification reflects that or else the firm will be rejected.
 - c. Ivy Fine stated that on future Construction Management contracts solicited by SFPUC, SFPUC will clearly state that the firm must be CM certified to receive a rating bonus.
 - d. Stephanie Tang mentioned that the Certification Unit sent out an email blast to all LBEs reminding them to get certified in the proper categories.
5. Approval of Meeting Minutes
- a. Iris Martin Lopez, seconded by Dwayne Jones, moved to approve the LBEAC Meeting Minutes of August 1, 2019. The motion carried by the following vote:
 - i. Ayes: Ajiake, Choy-Sommer, Davis, Degrafinried, Galarza, Harmon, Jones, Martin-Lopez.
 - ii. Abstain: Delepine.
 - b. Iris Martin Lopez, seconded by Dwayne Jones, moved to approve the Special LBEAC Meeting Minutes of September 5, 2019. The motion carried by the following vote:

- i. Ayes: Ajiake, Choy-Sommer, Davis, Degrafinried, Delepine, Galarza, Harmon, Jones, Martin-Lopez.

6. Staff Report/Updates

a. Discussion of Principal Place of Business for LBE Certification

- i. Principal Place of Business needs to be a fixed/permanent office and cannot be a temporary or movable place.
- ii. A balance must be made between working with LBEs based on unique needs of small businesses and ensuring that the program is not abused.
- iii. Firms are allowed to share office space and within the same industry. However, must submit evidence of operation of independence between the firms that share an office space.

7. Suggestions from Committee Members on Future Agendas/Public Comment:

- a. Iris Martin Lopez: The SFPUC will be hosting the 6th annual Women in Construction event on Fri, November 21, 2019 at the War Memorial.
- b. Boris Delepine suggested an agenda item to discuss F\$P reporting on LBE participation at the next LBEAC.
 - i. Darolyn Davis would like to have reporting from Office of Equity for contracting information.
- c. Matthew Ajiake suggested inviting the City Administrator Naomi Kelly to speak at the LBEAC.

8. Adjournment

The Committee adjourned at 11:45am.