



CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



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

Romulus Asenloo, Director

LBEAC October 5, 2017 Meeting Minutes

1. Call to Order

Chair Galarza called the meeting to order at 10:05 a.m.

Committee Members present: Matthew Ajiake, Emylene Aspilla, Juliana Choy-Sommer, Alaric Degrafinried, Boris Delepine, Elahe Enssani, Miguel Galarza, Bruce Giron, Alan Guy, Dwayne Jones, Iris Martin-Lopez, Wayne Perry, Ruben Santana

Committee Members Absent: Darolyn Davis, Virginia Harmon

Staff Present: CMD: Romulus Asenloo, Regina Chan, Andrea Chicas, Mindy Lee, Arthur Marcelo, Stephanie Tang, Nichole Truax

Other City Personnel: Jan Crosbie-Taylor, Controller's Office; Matthew Hada, Controller's Office; Nicolas King, Public Works; Dana Lang, SFO; Veronica Ng, PUC

2. Best Value Public Works Procurement Update

- a. Nicolas King announced the latest updates for the Contractor Evaluation Program
 - i. The pilot program will commence in 2018.
 - ii. The rules of the Program will not be released until the website has been completed.
 - iii. One or two contracts per department will be chosen; the contracts will have been already awarded.

3. Financial Systems Replacement Project Update

- a. Jan Crosby-Taylor, the training manager, provided information about the new financial system.
 - i. Every Monday, 10am to 4pm, the FSP team holds an open lab to provide training.
 - ii. CMD Forms 7 and 9 are part of the new system. However, the FSP team is working on system glitches with respect to Form 7 and Form 9 information. Primes and subcontractors should continue to enter and acknowledge payment information in the new payment system.
 - iii. The financial system will be utilizing the "Paymode" network to automate payments because Paymode offers attractive features and advantages.
 - iv. Communicate needs and/or desired changes by submitting a ticket.
- b. Matt Hada, the strategic sourcing manager, works directly with departments to assist them with processes and data issues.
 - i. A separate training environment is provided to help departments.

4. Approval of Meeting Minutes

- a. Matthew Ajiake, seconded by Elahe Enssani, moved to approve the LBEAC Meeting Minutes of August 3, 2017. The motion carried by the following vote:

- i. Ayes: Ajiake, Choy-Sommer, Delepine, Enssani, Galarza, Giron, Guy, Jones, Martin-Lopez, Perry, Santana
- ii. Abstained: Aspillá, Degrafinried

5. Project Labor Agreement Update

- a. There are concerns raised by several organizations:
 - i. The one million dollar threshold is too low. There have been suggestions that a higher threshold, such as 25 million dollars, would improve the legislation.
 - ii. The PLA would effectively impede businesses from growing.
- b. The stated intent of the legislation is to increase veteran participation, increase local employment, and stop work stoppages. The community asserts that the stated goals cannot be attained simply by union participation on City contracts.
 - i. For example, if there is public interest to increase veteran participation, why not create a veteran certification program?

6. Professional Services, A/E, and Design Build Joint Venture Rating Bonus and Core Disciplines Incentive Pilot Program

- a. PUC, Airport and CMD have been working together for the past year on ways to increase Local Business Enterprises' (LBEs') participation on City contracts, especially for contracts over 20 million. Currently, under Chapter 14B the LBE bid discount/rating bonus only applies to contracts up to 20 million.
- b. It is an optional program and will depend on the needs of the contract.
- c. This pilot program has two options. Option 1 is a joint venture incentive program and Option 2 is a core discipline LBE subcontractor participation incentive. The Contract Awarding Department may choose to use both options or just one option.
 - i. Joint Venture Incentive
Under the Joint Venture Incentive Program, a Contract Awarding Department, at its discretion, can apply up to a 6% joint venture rating bonus on professional services, architecture & engineering and design build contracts over \$20 million. The Prime Proposer or Lead Design Firm (as specified in the RFP by the Contract Awarding Department) must form a joint venture with one or more CMD Certified Micro and/or Small LBEs.
 - ii. Core Discipline LBE Subcontractor Participation Incentive
Under the Core Discipline Incentive program, Contract Awarding Departments for professional services and A&E procurements, may include as evaluation or selection criteria, a prime contractor's use of micro or small LBEs in core disciplines to meet the contract's LBE Subcontractor participation requirement. The Department must specify in the RFQ/RFP or other procurement documents what trades, scopes of work, or discipline areas would be considered core disciplines for that contract.

7. Staff Reports/Updates

- a. CMD Certification Staff presented an infographic map of LBEs.

8. Adjournment

The Committee adjourned at 12:03 p.m.