



CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



LBEAC December 5, 2019 Meeting Minutes

1. Call to Order

Chair Galarza called the meeting to order at 10:08 a.m.

Committee Members Present: Emylene Aspillá, Bruce Giron, Alaric Degrafinried, Boris Delepine, Elahe Enssani, Miguel Galarza, Virginia Harmon.

Committee Members Absent: Matthew Ajiake, Juliana Choy-Sommer, Darolyn Davis, Alan Guy, Dwayne Jones, Iris Martin-Lopez, Wayne Perry, Ruben Santana.

Staff Present: CMD: Romulus Asenloo, Regina Chan, Vivian Liu.

Other City Personnel: Linda Gerull, DT; Kimberley Wilson, SFO; Michael Makstman, DT.

Public Present: Ramona Esquivel, Lavina Trucking; Suzanne Souva, Bonner Communications; Noelle Bonner, Bonner Communications; Steve Boulliane, IPSO Facto; Jay Rooney, D&A Communications; Anna Vongsing, FTF Engineering.

2. Citywide Project Labor Agreement Ordinance Update

- a. The November and December negotiation deadlines were missed.
- b. The Committee made a concerted effort on negotiation for 10 articles, which have been tentatively agreed to; however, there are a few significant articles that have not been addressed.

3. Increasing the Threshold for Professional Service and Construction Categories

- a. White paper and supporting letters have been sent to the City Administrator with data to support breaking up Professional Services into 7 different categories and increasing the threshold depending on the category.
- b. There was a meeting held in the Bayview District regarding the increase to the Construction threshold. There was a split in opinions.
 - i. Micro-LBEs are not equally benefited if the threshold is increased. Many Micro-LBEs are concerned about participation on contracts if the threshold is increased.
- c. Suggestion to focus on whether current LBEs are thriving in the program and how to provide resources and assistance to Micro-LBEs to promote their growth before considering increasing the Construction threshold.
- d. Another option to consider is rather than changing the threshold, changing the estimated cost of contract that allows SBAs to receive a bid discount.
- e. Setup an adhoc Committee to further discuss the concerns around increasing the Construction threshold. It was suggested that the adhoc Committee also include individuals from outside of the Committee.

4. Discussion on California Assembly Bill No. 5 (“AB5”) and Possible Impact on LBE Trucking Firms
 - a. Ramona Esquivel from Lavina Trucking (SF LBE-WBE) spoke about the challenges truckers will face when AB5 legislation goes into effect on January 1, 2020.
 - i. The legislation greatly disrupts truckers and many other businesses utilizing business models that employs independent contractors (IRS Form 1099).
 - ii. This legislation will potentially drive up the cost of trucking by 30% and the ripple effect will be felt throughout the construction industry.
 - iii. The trucking community is seeking backing, understanding, and support from the LBEAC and LBE community on the issue and the amendment to the law.

5. San Francisco Department of Technology on its Initiative to Recruit LBE Firms for its Contracting Pools
 - a. Linda Gerull from the Department of Technology (“DT”) presented on the cooperative efforts with CMD and OCA in creating more opportunities for LBEs to participate on technology projects.
 - b. DT’s annual budget is \$130 million supporting 52 City departments. DT has negotiated a \$65 million-dollar commodities contract with reseller ConvergeOne for the purchase of Cisco networking equipment and services.
 - i. DT worked with CMD and OCA to modify the contract to include a 20% LBE subconsultant participation requirement for the professional services elements of the contract.
 - ii. In a separate process, DT will work with OCA and CMD to make available an opportunity for qualified LBEs to compete for \$5 million dollars on support services.
 - iii. The challenge is to find qualified LBEs—resources such as Cisco Networking Academy and other training programs can assist.
 - c. Michael Makstman from DT presented on the need to build a pool of qualified LBEs to provide security services to the City and other communities.

6. Approval of Meeting Minutes
 - a. Due to no quorum, the approval of the LBEAC Meeting Minutes of October 3, 2019 will be reviewed at the February 6, 2020 LBEAC meeting.

7. Staff Report/Updates
 - a. Emylene Aspilla will be departing from the LBEAC. Kimberly Wilson is the new SFO Economic and Community Development Manager. She will be representing SFO at this Committee starting February.
 - b. Boris Delepine will also be departing from the LBEAC. Replacement will be announced later.
 - c. Controller’s Office has finished the PUM upgrade to PeopleSoft. If you have any suggestions or comments, please make sure to voice your concerns.

8. Suggestions from Committee Members on Future Agendas/Public Comment:
 - a. Propose to have the F\$P team come back and discuss the system and reporting issues.
 - b. Need more time between pre-submittal conference and proposal due date. Propose to invite Ivy Fine from the SFPUC Contract Administration Bureau.
 - c. Create a tech marketplace/IT Micro-Set-Aside program with larger contract size to create meaningful contracts for Micro-LBEs.

9. Adjournment

The Committee adjourned at 12:00pm.