



CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



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

Veronica Ng, Director

LBEAC April 7, 2016 Meeting Minutes

1. Call to Order

Committee Members present: Matthew Ajiake; Emylene Aspilla, Stacey Camillo, Juliana Choy-Sommer, Darolyn Davis, Boris Delepine, Elahe Enssani, Miguel Galarza, Virginia Harmon, Robert Lo, Ruben Santana

Committee Members Absent: Alaric Degrafinried, Wayne Perry, Kieron Sinnette

Staff Present: CMD: Romulus Asenloo, Regina Chan

Other City Personnel: Jennifer Johnston, Deputy City Administrator; Nicolas King, Public Works; Dana Lang, SFO; Iris Martin Lopez, PUC; Andres Power, Legislative Aide for Supervisor Scott Wiener

Chair Galarza called the meeting to order at 10:01 a.m.

2. Best Value Public Works Procurement

- a. Nicolas King of San Francisco Public Works spoke about the Contractor Performance Rating System.
 - i. The Contractor Performance Rating System/Evaluation is distinct from the Best Value legislation.
 - ii. Intent is to apply the evaluation to all projects; the City staff will be directed to complete the evaluations honestly.
- b. Andres Power from Supervisor Wiener's Office spoke about the Best Value legislation that was introduced on March 8, 2016.
 - i. Intent of legislation is to obtain the best value for the tax payers' dollars.
 - ii. The legislation proposes a new contracting process because the current process of lowest-bid does not incentivize best work.
 - iii. Best value legislation is used across the country and was recommended by the Controller.
 - iv. It is early in the legislative process; there will be hearings in Committee so there is room for changes in the legislation; and there is no rush for this legislation.
- c. Discussion with the LBE Advisory Committee
 - i. When asked how to mitigate subjective criteria, Powers responded that the legislation does not require or set criteria. The legislation would establish the vehicle and then every department would go through a rule making process.
 - ii. Committee members pointed out that the legislation changes the application of the bid discount from every stage to just one stage.

- iii. Committee members commented that financial condition as a criterion perpetuates discrimination against women and minorities, in opposition to 14B goals to remedy discrimination.
- iv. Committee members suggested:
 - 1. Implement oversight over all the departments that will utilize the Best Value process.
 - 2. Consider how the legislation fits with Chapter 14B, which is meant to foster small businesses.
 - 3. Consider that seemingly objective criteria will impact small businesses differently than large businesses. For example, the larger, more established firms will have a fuller staff with stronger resumes.
- v. When asked what the City is doing to improve project management skills, Nicolas King responded that the working group is trying to build a step into the evaluation where the contractor can comment on the City's processes.
- vi. Andres Power asked what the City does when/if contractor performs substandard work. Department representatives explained that there are processes in place (e.g. call the bond, fine the contractor) but more often than not, the City opts out of such processes because the City also contributed to the issues.
 - 1. It was not clarified whether the substandard work cited as the genesis for the legislation were subject to the abovementioned consequences/penalties. The Committee emphasized that even without the best value legislation, such processes are already in place to remedy substandard work.
- vii. Committee members recommended that the LBE discount apply across all stages of the contract award process, and that a report be done on the Best Value legislation's impact on LBEs.

d. Subcommittee

- i. Stacey Camillo, seconded by Matthew Ajiake, moved to convene a subcommittee to address the 12 points in the 2014 Controller's Report, as well as the Best Value Legislation and the Contractor Evaluation. The motion carried by the following vote:
 - 1. Ayes: 11 - Ajiake, Aspilla, Camillo, Choy-Sommer, Davis, Delepine, Enssani, Galarza, Harmon, Lo, Santana

3. Approval of Meeting Minutes

- a. Elahe Enssani, seconded by Ruben Santana, moved to approve the LBEAC Meeting Minutes of February 4, 2016. The motion carried by the following vote:
 - i. Ayes: 9 - Aspilla, Choy-Sommer, Davis, Delepine, Enssani, Galarza, Harmon, Lo, Santana
 - ii. Ajiake and Camillo abstained.

4. Approval of Revised LBEAC Guidelines

- a. Boris Delepine, seconded by Stacey Camillo, moved to approve the revised LBEAC Guidelines. The motion carried by the following vote:
 - i. Ayes: 10 – Ajiake, Aspillá, Camillo, Choy-Sommer, Davis, Delepine, Galarza, Harmon, Lo, Santana
 - ii. Enssani abstained.
5. Election
- a. Miguel Galarza elected as Chair.
 - b. Boris Delepine and Juliana Choy-Sommer elected as Co-Chairs.
6. Suggestions from Committee Members on Future Agendas
- a. Delayed payment due to SOLIS accounting group being short staffed.
 - i. Payments to the Prime are taking almost 8 weeks instead of 3 weeks.
 - ii. Prime cannot submit the next invoice until the submitted invoice has been paid, which further creates delays.
 - b. Presentation/Demo of the New FAMIS
 - i. Stacey Camillo will try to obtain a demo focused on invoicing/bidding.
 - c. Delay in CPI rate increase
 - d. Prompt Payment: Project Managers and Primes sitting on Invoices.
 - e. Update on the Mentor/Protégé Program
7. Adjournment
- The Committee adjourned at 11:48 a.m.