



# CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



## Local Business Enterprise Advisory Committee (LBEAC) May 6, 2021 Meeting Minutes

### 1. Call to Order/Introduction

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

*Committee Members Present:* Juliana Choy-Sommer, Darolyn Davis, Elahe Enssani, Miguel Galarza, Bruce Giron, Dwayne Jones, Nicolas King, Wayne Perry, Stephanie Tang, Kimberly Wilson.

*Committee Members Absent:* Matthew Ajiake, Sailaja Kurella, Iris Martin-Lopez, Todd Senigar

*Staff Present:* Romulus Asenloo, Regina Chan, Jason Chow, Daniel Guarente, La'uton Wells

### 2. Approval of Meeting Minutes

a. Darolyn Davis, seconded by Elahe Enssani moved to approve the LBEAC Meeting Minutes of February 25, 2021. The motion carried by the following vote:

- i. Aye: Galarza, Giron, Jones, King, Perry, Tang and Wilson.
- ii. Abstain: Choy-Sommer.

### 3. UCSF Procurement Outreach Presentation

a. UCSF was unable to present. They are delaying the presentation as they are still putting together the information as to how they will better utilize San Francisco LBEs.

### 4. Discussion and Possible Action Item on LBE Supplier Bid Discount

- a. Staff provided background information to this issue: There have been complaints for some bid discounts given to LBE suppliers. Background information: In 2016, there were concerns regarding the sections related to LBE suppliers in the Chapter 14B Rules and Regulations. LBEAC had discussed how they can support suppliers while not allowing brokers, created a subcommittee, which then made recommendations and changed the language in the Rules and Regulations.
- b. Provision VI. (D)(3) of the Rules of Regulations reads: "To be eligible for the bid discount, a certified prime supplier must stock the item sought by the City and must take possession and control of the item(s) to be supplied and delivered to the City rather than drop-shipping to the job site."
  - i. Provision is not applicable to numerous types of commodities purchased by the City and is extremely difficult to enforce by staff
- c. Issues and questions raised by the Committee:
  - i. How to differentiate between suppliers and brokers if VI(D)(3) is deleted

- ii. The Committee needs to examine from a larger view, given the changes in the modern supply chain and cost of real estate.
        - iii. There is a difference between certification and compliance definitions; VI.(D)(1) and VI.(D)(2) are certification criteria, and VI.(D)(3) is compliance.
        - iv. Section VI. (D)(1) would not allow disingenuous brokers to appear as suppliers and become LBE certified because of CMD's existing certification process
      - d. Darolyn Davis, seconded by Elahe Enssani, moved to strike Section VI. (D)(3) from the Rules and Regulations and proposed to create a subcommittee to further investigate the issues and rules regarding LBE suppliers. The motion failed by the following vote:
        - i. Ayes: Choy-Sommer, Galarza, Giron, Jones, Perry.
        - ii. Abstain: King, Tang, Wilson.
5. Discussion and Possible Action Item on the Potential Impact of MTA Initiatives on LBEs
  - a. What are ramifications for a toll that will be established for traveling to the downtown area:
    - i. Effect on LBEs' employees and taxes – Should LBEs and/or small businesses be exempt
    - ii. Impact on seniors, the disabled, and those with low-income
      - There are many exemptions, including for the above mentioned. If everyone being exempt, why not small businesses as well?
  - b. LBEAC plans to draft and send a letter to SFMTA to request details about the toll and considerations for small businesses.
6. Updates from the LBEAC Subcommittees
  - a. Tech Market Place subcommittee:
    - i. Next meeting will be Friday, 5.7.21 at 11 a.m.
    - ii. Discussions will revolve around OCA's presentation on Tech Marketplace—will analyze and provide feedback/comment. This information will be shared at the following LBEAC meeting.
  - b. Hyperlocal subcontractor requirement subcommittee:
    - i. Had first meeting— requested CMD to take a sample project and set a hyperlocal requirement to see what that will look like.
    - ii. Data received; however, the subcommittee has not had time to discuss/analyze data yet. This will be discussed at next subcommittee meeting.
  - c. Certificate of Preference subcommittee:
    - i. Had first meeting. A robust discussion was had but nothing definite to report as of yet. Galarza implores LBEAC committee members to be more present and take on leadership roles on subcommittees.
7. Updates Regarding CH.14B Legislative Changes
  - a. City Administrator Carmen Chu has reviewed the recommendations and will be meeting with the appropriate stakeholders.

- b. The Mayor has made the proposal of the size standard threshold a priority but at this time, there is no timeline for this change to be implemented.
- c. Wayne Perry, seconded by Elahe Enssani moved to hold regular LBEAC meetings on a monthly occurrence, in consideration of all the issues to be discussed. The motion passed by the following vote:
  - i. Ayes: Choy-Sommer, Davis, Galarza, Giron, Jones, King, Tang, Wilson.

8. Staff Report/Public Comment

- a. The expedited contract payment program has more investors and is going well. Approved two additional clients for a total of six since this program began.
- b. SFPUC's Contractor's Breakfast will be held on Friday, 5.7.21 from 8- 9:30 a.m.

9. Adjournment

- a. The meeting adjourned at 11:35 a.m.