



CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



LBEAC August 1, 2019 Meeting Minutes

1. Call to order

Chair Galarza called the meeting to order at 10:00 a.m.

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

Committee Members Absent: None.

Staff Present: CMD: Maria Zenaida Camua, Regina Chan, Jason Chow, James Chung, Daniel Guarante, Vivian Liu, Mindy Lee, Stephanie Tang.

Other City Personnel: Nicolas King, Public Works; Tiffany Tatum, SF Port.

Public Present: Patrick Amidris, Granite Construction; Noelle Bonner, Bonner Communications; Abbigail Brown, CPM; Randy Collins, FTF Engineering; Thomas Fodor, Granite Construction; David Griggs, J. Flores Construction; Roscoe Mapps, SF Giants; Steve Minden, Mission Rock Partners Tishman Speyer; Jay Rooney, D&A Communications; Padraic Ryan, Eco Bay Services; Suzanne Souva, Bonner Communications; Rebecca Unter, CPM; Jacob Wallace Jr, DDJ Enterprises.

2. Possible changes to the Administrative Code Chapter 6: Public Works Contracting Policies and Procedure

- a. Nicolas King highlighted two (2) proposed revisions to San Francisco Administrative Code Chapter 6. The earliest for these changes to be introduced is September 2019.
 - i. The current construction threshold for Chapter 6 is \$600,000 and is adjusted every five (5) years based on CPI. It is slated to increase to between \$700,000 to \$750,000 in January 2020. There is a new proposal to increase the construction threshold amount \$1,000,000. This will allow Public Works to use more City employees on contracts. This will result in the LBE subcontracting requirement to be applicable starting at \$500,000 (50% of the threshold amount).
 - ii. Proposed LBE or local hire plans will be an added consideration in the contract awarding procedure that permits the consideration of non-cost criteria.

3. Citywide Project Labor Agreement Ordinance

- a. Chair Galarza informed the committee that the City has submitted a proposal to the Building Trade Council for review and the next round of negotiations with the trade unions will begin next week.

4. Mission Rock Project Update

- a. Roscoe Mapps presented an overview of the Horizontal Construction Phase:

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- i. Granite was selected as the Horizontal General Contractor.
 - ii. There are three (3) sub-phases to the Horizontal Construction phase:
 - 1. Grading & Utilities
 - 2. China Basin Park
 - 3. Streets scope
 - iii. Horizontal work scopes will be roughly 10%-11% of the total contract value.
 - iv. The tentative plan is to start horizontal construction Nov-Dec of 2019. Vertical construction will start 3rd quarter of 2020.
 - i. The LBE Kickoff meeting will be held on August 13th at Oracle Park.
 - ii. Weekly office hours in different parts of the City are being planned so LBEs can ask questions and better understand the project.
 - iii. The project is utilizing a 90-day community based LBE engagement strategy.
 - b. The LBE commitment for pre-construction and construction phases are 10% and 20% respectively.
- 5. Discussions and Possible Action Item on Increasing the Threshold for Professional Services Categories
 - a. Darolyn Davis provided a summary of the recommendations from the threshold subcommittee:
 - i. Break Professional Service into nine (9) subcategories and proposed different amount of threshold increases in each subcategory based on feedback received from firms within the subcategories. Legal Services and Accounting, Tax Preparation, Bookkeeping, and Payroll Services subcategories does not want to increase the current threshold.
 - ii. Utilizing Line 1C on the Federal returns to address the pass-through issue when calculating gross receipts during CMD's certification and re-certification process.
 - iii. Implement a regular threshold adjustment schedule based on the increase in cost of living.
 - b. The Subcommittee met with the City Administrator and the Controller's office will perform an independent review of the recommended threshold increase.
 - c. The Subcommittee requested Letter(s) of Support to the Board of Supervisors.
 - d. Dwayne Jones, seconded by Wayne Perry, moved to support legislation to increase the Professional Services Category thresholds. The motion carried by the following vote:
 - i. Ayes: Matthew Ajiake, Emylene Aspilla, Bruce Giron, Juliana Choy-Sommer, Darolyn Davis, Boris Delepine, Elahe Enssani, Miguel Galarza, Alan Guy, Virginia Harmon, Iris Martin-Lopez, Ruben Santana.
 - ii. Abstain: Alaric Degrafinried
 - e. Adhoc committee was formed to discussed possible recommendations to Chapter 14B for Construction. Members are Bruce Giron, Juliana Choy-Sommer, Miguel Galarza, and Alan Guy.
- 6. Approval of Meeting Minutes

- a. Boris Delepine, seconded by Alan Guy, moved to approve the LBEAC Meeting Minutes of June 6, 2019. The motion carried by the following vote:
 - i. Ayes: Matthew Ajiake, Bruce Giron, Juliana Choy-Sommer, Darolyn Davis, Alaric Degrafinried, Boris Delepine, Elahe Enssani, Miguel Galarza, Alan Guy, Virginia Harmon, Iris Martin-Lopez, Wayne Perry, Ruben Santana.
 - ii. Abstain: Emylene Aspillia
- 7. Suggestions from Committee Members on Future Agendas/Public Comment
 - a. Bonner Communications/EcoBay
 - i. Noelle Bonner introduced draft white paper outlining critical updates to the LBE program for the Public Works/Construction category to the Committee members.
 - ii. There should be an implementation of a legacy business for firms that graduate from the program—some type of incentives to bid and be used on City contracts.
 - iii. SBA-LBE benefits should be reevaluated and there should be more bid preferences.
 - iv. Padraic Ryan suggested that Local Hire should be removed from OEWD.
 - b. SF Port Updates
 - i. Tiffany Tatum informed the Committee that for the Mission Bay Ferry Landing Terminal, SF Port will host a match making event on September 5th, 2019. The event will be between Marine contractors and potentially needed LBE subcontractors.
 - ii. Tiffany Tatum and Darolyn Davis will be partnering up for a workshop series called “Come on in, the water is fine” to debunk myths around the barriers to work on Port projects.
 - iii. The Port is working on an Economic Impact Policy to address how the Port’s economic spending affects the most disadvantage neighborhoods adjacent to Port properties.
 - 1. The Port is currently on a listening tour focusing on four levers:
 - a. Contracts and contractors hiring
 - b. Leasing
 - c. Tenant import hiring and enforcement
 - d. Investment of parks and open spaces
 - c. J. Flores
 - i. David Griggs (J. Flores) recently became a SBA-LBE and proposed a threshold increase for Construction categories, particularly for Class A General Contractors, due to inflation in the construction industry.
 - d. SFCIF CAPP
 - i. The target launch date for CAPP is late August 2019. Contact Maria Camua and Merriweather Williams to get more information regarding the program.
- 8. Adjournment
 - a. The Committee adjourned at 11:55am.