



CONTRACT MONITORING DIVISION OFFICE OF THE CITY ADMINISTRATOR



Local Business Enterprise Advisory Committee (LBEAC) August 5, 2021 Meeting Minutes

1. Call to Order/Introduction

Chair Galarza calls the meeting to order at 10:06 a.m.

Committee Members Present: Matthew Ajiake, Juliana Choy-Sommer, Elahe Enssani, Miguel Galarza, Bruce Giron, Greg Lyman, Nicolas King, Todd Senigar, Stephanie Tang, Kimberly Wilson.

Committee Members Absent: Darolyn Davis, Dwayne Jones, Sailaja Kurella, Wayne Perry.

CMD Staff Present: Regina Chan, Jason Chow, Daniel Guarente, Mindy Lee, Vivian Liu, Ivan Oldenkamp, Linda Rainaldi, Kate Svyatets, Nichole Truax, La'uton Wells.

Other City Staff Present: Robert Beck, Treasure Island Community Development Agency (TIDA); Kyndra Cox, SFPUC; Kevin Griffith, TIDA; Jennifer Johnston, Deputy City Administrator.

Members of the Public Present: Crystal Miks; Daniel Wanner; Jae Shin, Ground Cover Landscape; LaSonia Mansfield; Mansfield; Noelle Bonner, Bonner Communications; Padraic Ryan, Eco Bay Services; Randy Collins, FTF Engineering; Rusty Hoseley, Hoseley Corporation; Susanne Souva, Bonner Communications; Ali Altaia; Alex Chiu; Bert Garcia; Claytis Norman; Connor Falk; Hermann Adams; James Maybury; Marcus Tartt; Nick Colina; Nicole Burgess; Rocio Molina; Trisha Gregory; Wil Carney

2. Presentation: SBE Participation on Treasure Island Projects

a. Robert Beck and Kevin Griffith presented on the Treasure Island Development Program:

- i. The Treasure Island Development Program aims to improve housing, commerce, infrastructure, transit, and open spaces on Treasure Island.
- ii. Development began in 2015 and will be continued for approximately the next 15 years.
- iii. This development program includes project wide small business enterprise (SBE) goals for professional service and construction scopes.
 - (1) The program allows these goals to be met by CMD certified Small and Micro-LBEs, SBE or DBEs recognized by the Office of Community Investment and Infrastructure, those recognized as an SBE by TIDA, or a Treasure Island Homeless Development Initiative (TIHDI) member organization or wholly owned by a TIHDI member organization.
 - (2) The goals for this project are 41% SBE participation for construction scopes and 38% for professional service scopes.

- iv. Outreach efforts to SBEs by TIDA include advertising on their website, pre-bids, direct outreach to CMD certified LBEs, outreach to TIDA's list of interested contractors, the San Francisco Examiner, Small Business Exchange, and to One Treasure Island Member Organizations.

(1) See opportunities and join TIDA's list of interested contractors here:

(<https://sftreasureisland.org/development/contracting>)

- v. To date:

(1) 57% of all professional services value has been awarded to SBEs.

(2) 46% of all construction value has been awarded to SBEs.

(3) Project is only about a quarter complete. Future work includes residential housing, parks, abatement and demolition, and geotechnical mitigation.

b. Questions from the Committee:

- i. To what extent are CMD certified LBEs utilized? Do firms who have graduated from the LBE program still receive SBE credit?

(1) There is no data on distribution of SBEs according to how they are defined. SBE dollars are only counted for current SBEs, so those that have graduated are not counted.

- ii. Would it be possible to provide a list of upcoming opportunities that could be sent to LBEs or to host an open house between current project developers and LBEs?

- iii. What is the number of SBE firms currently on the project and the replacement strategy for firms that graduate during the project?

(1) There is no current count of SBE firms. The replacement strategy is constant outreach to introduce new SBEs and to have them take over new work in the project as it surfaces.

c. Public Comment

- i. Five different members of the public echoed the statement that TIDA should be completing more outreach to ensure CMD certified LBEs are aware of the opportunities, as many members of the public were unaware of this program and its opportunities.

3. Review of the Revisions to the Chapter 14B Legislation

a. Chair Galarza presented the legislative digest of changes to Chapter 14B which are as follows:

- i. Increase the LBE certification size thresholds and authorize an automatic increase to the thresholds every five years based on the consumer price index;
- ii. Change the LBE certification size threshold term of calculation from an average of gross annual receipts in the prior three to the prior five years;
- iii. increase penalties for violations of Chapter 14B from up to 10% to up to 25% of the contract or subcontract amount;
- iv. Require prime contractors to include LBE subcontractors' approved payment requests in payment applications within 30 days of receipt of an invoice;
- v. Authorize application of separate LBE subcontract participation requirements for micro, small, and SBA-LBEs;
- vi. Extend the bonding assistance program to certain City-funded construction projects;

- vii. Authorize a pilot Mentor-Protégé expansion program, a pilot micro-LBE set-aside program for certain design-build and construction manager/general contractor projects, and a pilot Neighborhood LBE program;
 - viii. Increase the contracting Threshold Amount from \$709,000 to \$1,000,000 and the Minimum Competitive Amount from \$129,000 to \$200,000;
 - ix. Various other changes to Chapter 14B, the full list can be found here: [City and County of San Francisco - File #: 210835 \(legistar.com\)](#)
 - b. Ordinance is sitting for thirty (30) days and will be discussed when supervisors reconvene in September.
 - c. Public Comment
 - i. Noelle Bonner of Bonner Communications asked why LBEs are able to be certified in different categories under different size criteria, with the concern being that this could be a loophole for larger firms to take away business from actual small businesses.
 - (1) Staff clarified that this is not a current legislative change.
 - (2) Matt Aijake, seconded by Bruce Giron, moved to create an ad-hoc committee to examine this certification topic. The motion carried by the following vote:
 - (a) Ayes: Ajiake, Choy-Sommer, Enssani, Galarza, Giron, King, Lyman, Perry, Senigar, Tang, Wilson.
 - ii. A member of the public raised the issue that many LBEs performing construction management work shouldn't be and that many other LBEs are over the acceptable thresholds.
 - iii. A member of the public commented that micro-LBEs need more opportunities and that thresholds are being raised too high.
 - iv. Alex Chiu voiced concern that thresholds across all professional service categories are being raised equally, and that this increases competition for some categories unfairly.
4. Review and Approval of the July 1, 2021 LBEAC Meeting Minutes
- a. Elahe Ensanni, seconded by Mathew Aijake, moved approve the July 1, 2021 LBEAC meeting minutes. The motion carried by the following vote:
 - Ayes: Ajiake, Choy-Sommer, Enssani, Galarza, Giron, King, Senigar, Tang, Wilson.
 - Abstain: Lyman
5. Staff Report/Public Comment
- a. Regina Chan presented an update on the last Tech Marketplace subcommittee meeting on behalf of Wayne Perry: The Office of Contract Administration presented an updated proposal for tech marketplace 3.0, CMD and LBEAC subcommittee members provided comments.
 - b. No further public comments.
6. Adjournment
- a. The Committee adjourned at 11:42 a.m.