

## **LBEAC June 2, 2016 Draft Meeting Minutes**

### **1. Call to Order/Introduction**

*Committee Members present:* Matthew Ajiake, Emylene Aspillá, Stacey Camillo, Juliana Choy-Sommer, Boris Delepine, Elahe Enssani, Miguel Galarza, Virginia Harmon, Robert Lo, Wayne Perry

*Committee Members absent:* Darolyn Davis, Alaric Degrafinried, Ruben Santana, Kieron Sinnette

*Staff Present: CMD:* Veronica Ng, Nichole Truax, Romulus Asenloo, Mindy Lee, Ryan Young, Lakysa Cummings, Lupe Arreola

*Other City Personnel:* Jennifer Johnston, Deputy City Administrator

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

### **2. Update & Discussion on the Best Value Public Works Procurement**

- a. The Chair stated that what was said to the LBEAC did not occur; he noted his disappointment.
- b. Some members of the Board of Supervisors ("BOS") need to be informed about CMD. It was suggested that the LBEAC invite BOS candidates so that they can discuss their positions on small businesses. This would also be a good opportunity to educate candidates/current members on CMD's role and help build alliances. CMD and the LBEAC would not endorse any candidates. Currently, it appears that the LBEAC does not have any traction with the current members of the BOS. It was stated that it may be problematic to do this as it may be considered engaging in political activities if it involves staff time during working hours. The LBEAC asked that this issue be followed up with the Mayor's Office and Ethics Department.
- c. The LBEAC asked that Nicholas King be invited to the next LBEAC meeting (August 2016) in order to provide an update and discuss the requirements. Committee Member Camillo stated that the City is coordinating with all the Chapter 6 departments to discuss and implement the new requirements. There will be another meeting in 2 weeks. CMD should be involved. Committee Member Camillo and Nicholas King will provide an update at the next meeting.
- d. There was a good showing at the BOS by the LBE community and one of the Committee Members thanked all of the LBEs that attended.

### **3. The Mentor/Protégé Program ("MPP")**

- a. CMD Staffer Arreola presented on the MPP (refer to PowerPoint Presentation handout for specific details):
  - i. Purpose of the program is to provide a platform for successful Primes to assist CMD-Certified Micro-LBE firms to increase their capacity in various areas (e.g., organizational/structure, leadership development, financial/ business infrastructure, insurance/bonding, and networking/business community engagement needs).
  - ii. The MPP is separate from the existing LBE Joint Venture ("JV") bid discount/rating bonus program. Director Ng stated that for professional services contracts there are no

additional benefits for JVs with LBE participation under the MPP. For construction contracts, under the current Chapter 14B Ordinance, there are no LBE bid discounts/rating bonuses for JVs with LBE participation.

b. Discussion

- i. CMD maintains a list of the Mentor Protégé teams. After completion of MPP milestones, CMD will provide a letter to the Mentor that states that the Good Faith Outreach Requirements will be waived for the Mentor for two years.
- ii. The Mentor must continue to meet their milestones and goals, which is stated in the MOU. The waiver can be taken away if milestones and goals are not being met.
- iii. A Mentor may have more than one Protégé, but the Mentor must have the capacity to take on the additional Protégé(s).
- iv. There was a concern regarding the MPP and small businesses that are federally certified. The hope is that Protégés are not affected by the gross receipts threshold of the federal program. Mark Quinn and Brenda Gambardella of the US SBA may be sources to turn to if additional information is needed.

4. Review and Approval of April 7, 2016 LBEAC Meeting Minutes

- a. Juliana Choy-Sommer recommended a change to Item No. 2, Subsection b, iv. She would like to add that Supervisors Wiener's Office stated that there is no rush for this legislation.
- b. Boris Delepine, seconded by Elahe Enssani, moved to approve the LBEAC Meeting Minutes of April 7, 2016 with Juliana Choy-Sommer's recommended change. The motion carried by the following vote:
  - i. Ayes: 8 – Aspilla, Camillo, Choy-Sommer, Delepine, Enssani, Galarza, Harmon, Lo
  - ii. Perry Abstained

5. Staff Report/Updates

None

6. Public Comment

- a. An LBE relayed some of his difficulties in being a small business owner. He expressed the following beliefs:
  - i. The City has a LBE program that on the surface encourages LBEs to do business with the City
  - ii. Bullying tactics and attempts to disqualify via the City's bureaucratic process
  - iii. No opportunity to grow business, cannot hire more staff
  - iv. Lost a \$10 million deal
  - v. There should be an amendment to the legislation to allow LBEs to thrive
  - vi. Under extra scrutiny
  - vii. There is inconsistency. For small projects, there does not seem to be an issue. The issue arises when contracts are over \$10 million.
  - viii. Requesting for someone to 1) stop this and 2) address the issue
  - ix. Contracts are through the Purchasing Department

The Chair stated that the LBE will be briefed. The LBEAC is a public forum; it is not a grievance forum. However, the Deputy City Administrator indicated that his allegations regarding the LBE program are currently being reviewed.

- b. Another LBE spoke at the LBEAC. The key points addressed were:
  - i. Manufacturers do not sell directly, they sell to their list of authorized distributors
  - ii. The City wants to purchase through distributors that offer warranties; it becomes a financial issue if the City purchases products without warranties
  - iii. The LBE's presentation was cut short (see below)

## 7. Adjournment

At 11:35 a.m., a member of the public became agitated when another member of the public was addressing the LBEAC and the Chair deemed it appropriate to adjourn the meeting early in order to de-escalate the situation.