

**CITY OF SAN JOSE
SMALL BUSINESS DEVELOPMENT COMMISSION
AUGUST 8, 2012, 6:00 – 8:00 P.M.**

SAN JOSE CITY HALL – 200 E. SANTA CLARA ST. – TOWER 1352

- 1. CALL TO ORDER**
- 2. APPROVAL OF THE AGENDA – 1 MIN.**
- 3. APPROVAL OF MAY 9, 2012 MINUTES – 5 MIN.**
- 4. APPROVAL OF MAY 9, 2012 SPECIAL MEETING MINUTES – 5 MIN.**
- 5. OPEN FORUM/ PUBLIC COMMENT / ORAL PETITION PERIOD – 2 MIN. EACH**
Any person may address the Commission on any subject not on the agenda. Speakers are asked to state their name and address for the record. Since the subject is not on the agenda, the Brown Act (State Open Meeting Law) prohibits action by Commission members or City Staff. However, Commission members and City Staff may briefly respond to statements or questions and/or provide referral to Staff. The Commission may place the item on an agenda for a future meeting.
- 6. UPDATE ON STRUCTURAL IMPROVEMENTS AND POTENTIAL CONSOLIDATION AND ELIMINATION OF BOARDS AND COMMISSIONS – 30 MIN.** STAFF, INFORMATION
The Commission will receive information on the status of the Clerk's recommendations.
- 7. CREATE AND DISTRIBUTE MESSAGE TO HIGHLIGHT INCENTIVES FOR SMALL AND DISADVANTAGED BUSINESSES ESPECIALLY IN THE PROCUREMENT AREA. – 25 MIN.** COMMISSION, ACTION
The Commission will review the work of an Ad-Hoc Committee and may provide additional direction or approve.
- 8. CONSIDERATION OF A PUBLIC INPUT SESSION REGARDING PROCUREMENT AND SBD COMMISSION – 25 MIN.** COMMISSION, ACTION
The Commission will review the work of an Ad-Hoc Committee and may provide additional direction or approve.

9. UPDATE ON ANNUAL REPORT – 20 MIN.

STAFF, ACTION

The status of the annual report will be presented. If the Commission has any adjustments it may consider doing so.

10. STAFF REPORT

11. CHAIR REPORT

12. NEW AGENDA ITEMS – 5 MIN.

A. DISCUSSION OF PROCUREMENT PROCESS

13. ADJOURNMENT

For questions regarding the agenda, please contact Dhez Woodworth at (408) 535-8181.

You may view this agenda and related documents at <http://www.sjeconomy.com/businessassistance/sbdc.asp> along with minutes, agendas and packets from previous meetings.

The City of San Jose is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public. San Jose's ethics standards are listed at http://www.sanjoseca.gov/clerk/cp_manual/CPM_0_15.pdf.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Manager's Office at San Jose City Hall, 200 E. Santa Clara St., 17th Floor, San Jose, CA 95113 at the same time that the public records are distributed or made available to the legislative body.

To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please call Dhez Woodworth of the Office of Economic Development at (408) 535-8181 or (408) 294-9337 (TTY) as soon as possible, but at least three business days before the meeting/event.

**CITY OF SAN JOSE
SMALL BUSINESS DEVELOPMENT COMMISSION**

Synopsis (Not Approved)
May 9, 2012

200 E. Santa Clara St. – Tower 1352

START TIME: 6:25 pm ADJOURNMENT 8:15 pm

COMMISSIONERS PRESENT:

Johnny Khamis
Stephen Reiss
Molly Uzoh
Raj Bhanot
David Clancy
Richard Reed
Leo Cortez

COMMISSIONERS ABSENT

Brian Ho (ill)
John Horton
Miguel Olivo
Harmeet Bhugra
Zheng Huang

Council Liaison
Anh Tran

City Staff
Dhez Woodworth (work2future)
BJ Sims (work2future)
Paul Marino (Public Works – Sr. Architect)

Public Present

1. CALL TO ORDER
Called to order by Khamis at 6: pm

2. APPROVAL OF AGENDA

Motion: Approval

Motion: 1) Cortez 2) Reed X App no

3. APPROVAL OF FEBRUARY 8, 2012 MINUTES

Motion: Approval

Motion: 1) Uzoh 2) Clancy X App no

4. OPEN FORUM/ PUBLIC COMMENT / ORAL PETITION PERIOD

5. DISCUSSION OF PROCUREMENT PROCESS

- Postponed due to Staff illness

6. UPDATE ON CONVENTION CENTER EXPANSION

- Paul Marino, Sr. Architect with Public Works presented information about Hunt Construction's work
- Pile driving has been going on for the past month and a half
- As a design-build, this project incorporates both the architectural work as well as the construction phase.
- 15% of their professional team was locally owned
- Demolition, foundation and earth moving were issued early.
- Hunt provided a rough outreach plan in the bidding.
- More refined outreach plan including website, newspapers (including non-English), radio, meetings etc.
- They anticipated that local businesses would have an advantage.
- Fewer local businesses were able to get the contracts than expected. Metrics were based on effort rather than participation.
- Buyout package includes a listing of those subcontractors who were awarded the bids with Hunt Construction.
- Framing will go up in June or July.
- Completion in fall of 2013.
- Some expansion of the scope is anticipated to allow for renovation of mechanical systems and kitchen.
- Staff report on expansion is anticipated prior to the Council recess.

RECESSED AT 6:48 PM

RECONVEENED MEETING AT 7:37 PM

7. UPDATE ON STRUCTURAL IMPROVEMENTS AND POTENTIAL CONSOLIDATION AND ELIMINATION OF BOARDS AND COMMISSIONS

- Clerk's Office has not taken further action

8. CHAIR'S INTERVIEW ON ARAB AMERICAN TV

- Commissioner Khamis used the packet that Commissioner Clancy and the ad-hoc subcommittee on outreach developed.
- He plugged work of the Commission.
- Suggests that other opportunities might be available

WOODWORTH TO DISTRIBUTE COMMISSIONER CLANCY'S FLYER

9. REVIEW OF RECOMMENDATION REGARDING WORKSHOP ON CONTRACTING, VIDEO OF WORKSHOP AND ADVANCED NOTICE OF PROCUREMENT OPPORTUNITIES

- Agendize for next meeting.
- Clancy will withdraw from review ad-hoc committee.
- Cortez will assume leadership.

10. REPORT ON WORKPLAN AND ANNUAL REPORT SUBMISSION BY AD-HOC COMMITTEE

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Motion: Approval of Draft

Motion:	1) Clancy	2) Reiss	X App	no
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- 1.1 – 1.7 use active language
- 1.3 approved percentages recommended by Staff
- Further changes were reflected in document edited by Commissioner Clancy.

Motion: Add 10 more minutes to the meeting

Motion:	1) Cortez	2) Reed	X App	no
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11. STAFF REPORT

- **WOODWORTH TO SEND INVITE TO COMMISSION**

12. CHAIR REPORT

- Please come on time

13. NEW AGENDA ITEMS

- Review of Workplan Items

- Review May 22 outcomes
- Staff presentation on procurement

14. ADJOURNMENT 8:15

**CITY OF SAN JOSE
SMALL BUSINESS DEVELOPMENT COMMISSION**

Synopsis (Not Approved)
May 9, 2012

200 E. Santa Clara St. – Tower 1352

START TIME: 6:48 ADJOURNMENT 7:36

COMMISSIONERS PRESENT:

Johnny Khamis
Stephen Reiss
Molly Uzoh
Raj Bhanot
David Clancy
Richard Reed
Leo Cortez

COMMISSIONERS ABSENT

Brian Ho (ill)
John Horton
Miguel Olivo
Harmeet Bhugra
Zheng Huang

Council Liaison
Anh Tran

City Staff
Dhez Woodworth (work2future)
BJ Sims (work2future)

Public Present

1. CALL TO ORDER
Called to order by Khamis at 6:48 pm

2. APPROVAL OF AGENDA

Motion: Approval by more than 2/3rds

Motion: 1) Cortez 2) Reed X App no

3. OPEN FORUM/ PUBLIC COMMENT / ORAL PETITION PERIOD

- None

4. MINIMUM WAGE INITIATIVE

- Pat Sausedo, Vice President of the San Jose Silicon Valley Chamber of Commerce
- A minimum wage with \$10/hr plus automatic CPI increases
- November, 2012 ballot
- Council will consider action:
 - i. Call a special election.
 - ii. Adopt initiative (no changes).
 - iii. Can direct alternative measure to be brought back by June 1.
- SJSV Chamber has begun to look into the preliminary observations by members. Members consistently feel that the initiative would result in negative impacts and oppose the enactment.
- The SJSV Chamber recommends that the initiative not be adopted as it is.
- They are concerned that the impact on businesses is unknown and that research cannot be reasonably achieved in the time allowed.
- This may make San Jose less competitive relative to other communities within reasonable drive. Businesses themselves may also move.
- SJSV Chamber will recommend that significant dialogue be undertaken but that the initiative not be modified.
- A minimum wage would need to be a regional issue rather than a local issue.

Issues Raised

- No public dialogue for small disadvantaged businesses for them to understand the issues.
- Puts local business at an economic disadvantage of nearby communities.
- A minimum wage requirement should be at the State level rather than the local level.
- It is not feasible to conduct studies or do a comparison with the other communities within the time allowed.
- The minimum wage will result in inflationary effects rather than improving the lot of those working at minimum wage.
- The wage increase may result in rising wages among those at higher skill work.
- SBD Commission would be willing to undertake the research needed. Could offer a public forum.
- May result in additional student led initiatives in the future.

- Recommend: Council place the initiative on the November, 2012 to accommodate additional time to evaluate the effects prior to adoption.

Motion: Commission to authorize an ad-hoc committee to prepare a memo to Council and to authorize the ad-hoc committee to sign the memo on behalf of the Commission.

Motion: 1) Clancy 2) Reiss X App no

- The language should be delicate and reflect the observation of the public perception rather than take ownership of all of the issues.
- Members:
 - David Clancy
 - Stephen Reiss
 - Leo Cortez
 - Johnny Khamis
 - Raj Bhanot

5. ADJOURNMENT 7:36

2011 Workplan as Recommended by Staff

Objective for 2011	Area	Actions	Timeframe
Provide more contract Literacy Awareness Programs	Procurement	Schedule quarterly or semi-annual classes (training/workshop) for SBE on the ABC of how to be successful with San Jose City contracts	2 nd Quarter
Provide more contract Literacy Awareness Programs	Procurement	Make self-paced version of the classes available online so the those that could not attend the instructor-led classes can access them online	4 th Quarter
Market contract opportunities adequately to San Jose residents	Procurement	Publish procurement opportunities using Councilmember Newsletters, TV community bulletins, and brochures (to be available on City Building lobbies) as well as City web site.	3 rd Quarter
Market contract opportunities adequately to San Jose residents	Procurement	Organize semi-annual procurement fairs	3 rd Quarter
Designate some contracts as "Small Business Set-Aside"	Procurement	Advocate for very simple contract procedure for very small contracts (e.g. below \$50,000)	3 rd Quarter
Facilitate Mentor-Protégé program	Procurement	Prepare and present Mentor-Protégé program proposal to the City Council for approval	2 nd Quarter
Facilitate Mentor-Protégé program	Procurement	Facilitate the City Council approval of the Mentor-Protégé program	2 nd Quarter
Monitor procurement pipeline and Awards	Procurement	Request that quarterly procurement updates be presented to SBDC quarterly	2 nd , 3 rd , and 4 th Quarters

Attachment B

**Small Business Development Commission
Workplan for 2012**

Objective	Area	Actions	Timeframe
Provide more contract Literacy Awareness Programs	Procurement	Recommend an annual class be held (training/workshop) for businesses on the ABCs of how to be successful with San Jose City contracts	2Q - 2012
Provide more contract Literacy Awareness Programs	Procurement	Recommend making a self-paced version of the classes available online so that those that could not attend the instructor-led classes can access them online. SBD Commission would distribute the information.	2Q – 2012
Market contract opportunities adequately to San Jose residents	Procurement	Recommend that procurement opportunities be published using Councilmember Newsletters, TV community bulletins, and brochures (to be available on City Building lobbies) as well as City web site.	2Q – 2012
Designate some contracts as “Small Business Set-Aside”	Procurement	Review current small business contract procedures; Advocate for very simple contract procedure for very small contracts (e.g. below \$50,000); Review Federal contract requirements and how they impact City contracts; Review guidelines regarding awardee outreach to small businesses; Explore ways to assist small business to participate in larger contracts (e.g. mentor protégé program).	3Q – 2012
Monitor procurement pipeline and Awards	Procurement	Request that quarterly procurement updates be presented to SBDC	3Q – 2012
Improve City Procurement Services	Procurement	Receive and make recommendations on Staff reports	Ongoing
Connect with Community Regarding Commission Priorities	Stakeholder Outreach	Commissioners to report their efforts to solicit public input on the Commission’s work to increase procurement opportunities for small and disadvantaged businesses at each commission meeting	Ongoing
Connect with Community Regarding Commission Priorities	Stakeholder Outreach	Collaborate with Staff on a public input session regarding procurement that integrates presentation about SBD Commission	4Q – 2012

**Small Business Development Commission
Workplan for 2012 (continued)**

Connect with Community Regarding Commission Priorities	Stakeholder Outreach	Create a message, develop brochure and pursue media opportunities to highlight incentives for small and disadvantaged businesses especially in the procurement area.	2Q – 2012
Connect with Community Regarding Commission Priorities	Stakeholder Outreach	Solicit and receive public input on workplan items.	Ongoing
Fulfill Process Responsibilities	Official Tasks	Clarify municipal code regarding the nondiscrimination/nonpreferential treatment program and policies	1Q – 2012
Fulfill Process Responsibilities	Official Tasks	Fulfill additional functions as requested by Council	Ongoing
Fulfill Process Responsibilities	Official Tasks	Develop 2013 Workplan	4Q – 2012

Small Business Development Commission Annual Report for 2011

Activities & Accomplishments

1. **Procurement - Increase and enhance small and disadvantaged business participation in city contracts and vending opportunities.**
 - 1.1. Heard presentation from the Public Works Department detailing the summary of the local and small business participation in the Airport's improvements and procuring opportunities. *(Workplan Element: Receive Staff Reports)**
 - 1.2. Provided feedback and recommendations to optimize small business sub-contract opportunities as presented by Harry Freitas, Deputy Director for Public Works, on the details of the award of the Convention Center Expansion and the \$60 - \$70 million earmarked to be spent with subcontractors. *(Workplan Element: Receive Staff Reports)**
 - 1.3. Approved Report from Nancy West on the work to develop Airport Concession Disadvantaged Business Enterprises. The SBDC also provided feedback and recommendations to optimize small business sub-contract opportunities. *(Workplan Element: Receive Staff Reports)**
 - 1.4. Discussed how outreach would be performed by Hunt Construction in the hiring of local trades after hearing Paul Marino, Senior Architect at Public Works, for the Convention Center Expansion Project. *(Workplan Element: Receive Staff Reports)**
 - 1.5. Discussed with Barry Ng on Capital Improvement Program Contracts, detailing local and small business participation. *(Workplan Element: Receive Staff Reports)**
 - 1.6. Reviewed the City's performance on contract participation by small and disadvantaged businesses in 2010. Commission continued to monitor City performance with respect to annual DBE goals. *(Workplan Element: Receive Staff Reports)**
 - 1.7. Advocated for quarterly reports of the City's performance in contract participation by small, local and disadvantaged businesses. Ideally, utilizing the Bid Sync software to accumulate these statistics. *(Workplan Element: Request Quarterly Procurement Updates)*
 - 1.8. Advocated the marketing of city program opportunities and programs that assist small and disadvantage businesses through Councilmembers' newsletters, community brochures, and community television opportunities. *(Workplan Element: Publish Procurement Opportunities)*

* The 2011 workplan erroneously omitted an element to allow the Commission to receive and make recommendations on staff reports, a central Commission function.

- 1.9 Created a plan to increase public awareness of the SBDC throughout the small business community. *(Workplan Element: Market Contract Opportunities)*
- 1.10 Invited and heard from small business community partners and stakeholders at each commission meeting to leverage any relationship opportunities. *(Workplan Element: Market Contract Opportunities)*