

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

Synopsis (Not *Approved*)  
March 12, 2008

200 E. Santa Clara St., Room 1446

START TIME: 6:10 pm

ADJOURNMENT 7:58 pm

**COMMISSIONERS PRESENT:**

Rudy Rodriguez  
Joyce Puopolo  
Norman C. Nguyen  
Mary A. Zelle  
Brian Ho  
Minh Quoc Duong  
Miguel Olivo  
Helen Wang  
Jordan Dancer  
Daisy Chu

**COMMISSIONERS ABSENT**

Thai Mai  
James E. Smith

Council Liaison  
Jamie Borromeo

City Staff  
Dhez Woodworth  
Nanci Klein  
Walter Rossmann

Public Present  
Alejandro Serrudo

1. CALL TO ORDER  
Called to order by Rodriguez at 6:12 pm
2. APPROVAL OF AGENDA

**Corrections:**

- Addition of Staff and Chair report items 8 and 9.

Motion: Approval

Motion:            1) Dancer            2) Zellem            X app            no

### 3. APPROVAL OF FEBRUARY 13, 2007 SYNOPSIS

Corrections:

- NONE

Motion: Approval

Motion:            1) Dancer            2) Wang            X app            no

### 4. ORAL PETITIONS/COMMENTS

- Acknowledgment of past Chair Charles

### 5. ANNUAL PROCUREMENT UPDATE

- Walter Rossman, presented information regarding procurement
- Council established new system and requested annual
- April 13, 2007 – Increased authority to \$1 million for goods
- Services went to \$250K; upcoming action will request move to \$1 million
- Administration can now reissue without Council (saves about 8 weeks in the procurement process in case on non-responsive or no responses)
- Increased non-competitive bids from \$5K to \$10K
- Credit card approval has also been tightened up
- e-Procurement system has been established and has proved to be affordable. Vendors apply on-line and receive e-mail
- Quotes under \$100,000 are handled on-line; legal issues are being addressed to allow higher limit
- Vendor community appears happy with the solution. Faster, easier with less overhead.
- On-line RFP manual has improved professional services process as well and is easier to update.
- Each department has a contract specialist who is the point person for agreements and receives regular training on any necessary changes
- Protest process was adjusted (11 or 12 last year)
- 10 days to protest to Mr. Rossmann for resolution; subsequent appeal goes to Council if no resolution is found
- 8 were clarifications regarding City processes
- 1 agreement was overturned
- 2 protests went to Council and were eventually reissued
- These issues will be included in the memo going to Committee
- Additional municipal code adjustments to Committee in May

- i. Services will now go to \$1 million
  - ii. Requests for Quotes process protest process will be shortened to 5 days to streamline but still allow vendors to object if necessary
- Communications can be done by fax but nearly all vendors are using electronic methods.
- Actual expenditures roughly \$90 million per year. Encumbrances sometimes straddle years
- The Airport's public notice system was over \$1 million in part because of multi-year nature. Parks are another example
- Multiyear agreements or bids allow for savings through increased bids and also increases the number of vendors
- Technology improvements are built into the agreement where possible. For instance desktop computers retailers are upgraded as new models are released by the vendor
- Price is evaluated using life cycle of product, not just current costs
- Change in Administrative limit allows for less staff overhead
- Materials are "surplussed" through auction if valued by staff at over \$400. Will propose that the value be increased to \$1,000.
- Also looking at streamlining surplus process
- Materials are reused as much as possible (e.g.: computers moving from power users to those needing less power)
- Working with IT on survey; will return to Commission when completed
- Reverse auctioning may be a potential way to save money further and is available achievable with the existing system

### **Rossmann to provide survey**

- 6. MINORITY BUSINESS ENTERPRISE CENTER
  - Alejandro Serrudo presented the organization's services
  - Serving minority businesses in Northern California
  - Sacramento to Monterey
  - Business Consulting (based on revenue - \$1million – \$20/hr; Startup - \$10/hr)
  - Financial Assistance, following assessment (assist with loans, credit, factoring...) through partnership
    - i. No fees for loans but do charge based on revenue
  - Procurement Assistance (Assistance with securing contracts)
    - i. Held event in San Francisco with partners recently
    - ii. Network clients with procurement officers (govt and private with diversity programs)
    - iii. Help with Certification (federal and state as well local and private)
    - iv. Assist with applications and interviews
    - v. National organization helps with wider range of agreements

vi. Also provide training for a limited number of clients on East Coast

- Will be working with Business Owner Space to have a procurement event on April 25 in conjunction with Alliance West
- Working with the Black Chamber of Commerce for March 26 event
- Striving to have a second event in the latter part of the year
- Ethnicity is the limitation for clients
- Lower limit is \$50,000 to \$100,000 in revenue but they'll evaluate support based on potential for growth
- They work in conjunction with other partners that provide services to non-minorities
- Not-for-profit started in March of '07 run by ASIAN Inc.
- Services have grown with the clients over the past year
- Certification assistance for small businesses costs only \$200
- A recent certification and application facilitation took 40 to 50 hours over 4 to 6 months for a couple million dollar agreement
- On the other hand some of these are very quick
- Mr. Serrudo was able to assist an investor get financing to increase the number of units in a residential building. The key was working with a variety of banks.
- They also work with other organizations to leverage those strengths
- 120 clients over the past year (various sized clients)
- They've worked with a variety marketing efforts (radio, e-mail,
- Increase in sales, employment, contracts achieved are the performance measures on which they are measured

7. VISIT TO SAN FRANCISCO SMALL BUSINESS COMMISSION

- Due to tax time, they'll look at May 12

8. APPROVAL OF MEMO TO COUNCIL ON ORDINANCE CHANGE

- Chair Rodriguez presented a draft memo
- Reviewed the ordinance for the legal basis for the Commission's activities
- Nanci Klein introduced herself
  - i. Discussed process by which ordinance change could occur
  - ii. Offered to have presentations regarding City small business programs to elevate understanding of existing programs
  - iii. For instance Business Owner Space is a program that has 39 member board that is charged with providing services
  - iv. Small Business Ambassador program is another example
  - v. Information would provide statistical basis
  - vi. Semiannual presentations could cover a fair bit of information in terms of programs

vii. A small number of problems are often what are heard

- The Commission was looking for authority which matches their interests and the needs of those people who have come to meetings
- The public is asking for services which are not currently provided by the Commission; aligning the ordinance would allow them to be supportive of City endeavors
- Interested in general business health rather than procurement specifics; the larger scope would allow more alignment with City Staff and allow for more effectiveness by Commissioners
- Dancer, Wang, Puopolo, Rodriguez will form a subcommittee
- Would also like to have tracking of program achievements
- The Commission would like to help move the needle on City revenue by helping small businesses

9. STAFF REPORT

- Roster
- Business Cards
- Alliance West Event

10. REPORT FROM CHAIR

- Bylaws available

11. NEW AGENDA ITEMS – 5 MIN.

- ANNUAL PROCUREMENT REPORT (WALTER ROSSMANN)
- REPORT OUT FROM SF SB COMMISSION TRIP (May)
- APPROVAL OF MEMO TO COUNCIL ON ORDINANCE CHANGE
- REPORT FROM DBE (STAFF) May?
- REPORT ON SUNSHINE REFORM (DISHER) May?

12. ADJOURNMENT 7: 58 pm

Motion: Adjourn

Motion:            1) Dance            2) Duong            X app            no