

CITY OF SAN JOSE  
SMALL BUSINESS DEVELOPMENT COMMISSION

Synopsis  
March 14, 2007

200 E. Santa Clara St.

START TIME: 6:06 ADJOURNMENT: 8:14

COMMISSIONERS PRESENT:

James Charles  
Joyce Puopolo  
Daisy Chu  
Brian Rossman  
Norman Nguyen  
James E. Smith  
Jordan Dancer  
Helen Wang  
Rudy Rodriguez  
Alkesh Desai  
Gopi Niduvadan

COMMISSIONERS ABSENT:

Spencer Horowitz

COUNCIL LIAISON:

Not Present

CITY STAFF PRESENT:

Dhez Woodworth, Office of Economic Development  
Harry Freitas, Public Works  
Dave Sykes, Public Works  
Steve Wing, Public Works

PUBLIC PRESENT:

Stewart Perrilliat  
Jeff Bennett, Hensel Phelps  
Chris Peacock, SJSV Chamber  
Dennis King, Hispanic Chamber of Commerce Silicon Valley  
Keith Quarles  
Eric, Design Viz  
Mellissa, Design Viz

1. CALL TO ORDER

Called to order by Charles at 6:06

2. APPROVAL OF AGENDA

Motion: Postpone Horowitz' items (8 and 9 to next month).

Motion:            1) Dancer            2) Chu            X app            no

Motion: Take item 6 prior to item 5 to allow staff to arrive

Motion:            1) Rossman            2) Dancer            app            no

3. APPROVAL OF SYNOPSIS

Changes: None  
Motion: Approval

Motion:            1) Dancer            2) Smith            app            no

4. ORAL PETITIONS/COMMENTS

None

5. PRESENTATION OF DRAFT BUSINESS PROCUREMENT SURVEY

postponed due to staff absence

6. NEXT STEPS FOR THE AIRPORT SUBCONTRACTING PROGRAM

- Harry Freitas of Public Works introduced Jeff Bennett of Hensel Phelps Construction Company
- Hensel Phelps won the design/build contract to build the next phase of airport improvements
- Mr. Bennett presented their beta website (<http://www.sjctaip-opportunities.com/inquiries.html>) which will be among their methods for communicating with the subcontracting community.
- Mr. Bennett also discussed the broad schedule which was distributed. Construction will begin in roughly October 2007 and continue to 2010.
- Hensel Phelps is working through a variety of avenues to reach the business community including the various chambers and business associations. They also have some local history. The City has provided them with the companies in the business tax (license) database based on specific SICs.

- Some of the elements of their general practice include splitting subcontracts as much as feasible and establishing mentor/protégé programs. In Oakland they have an “incubator” which provides space for some subcontractors.
- They prefer to have early contact from small/local businesses so that they can help the subs. They seek a middle ground in the companies they choose.
- He asked the Commissioners to ask potential subcontractors to contact him:  
 Jeff Bennett  
 Hensel Phelps  
 226 Airport Parkway, Suite 150  
 San Jose, CA 95110-1024  
 454-2781  
 452-1855 fax  
 452-1800 main  
 jbenett@henselphelps.com

## 7. OUTREACH (M/WBE/DBE) AND BONDING ASSISTANCE

Will be able to leverage some of the Hensel Phelps work into other projects

Surety Bond transfers risk from City to insurer

Two project proposals for Surety Bonds

- 1) Self-Insured Surety Bond Pool
  - i. The City would write the bond and create a pool to support the program. The pool would be funded through fees and would also incorporate an overhead charge
  - ii. The objective is to lower the costs and making construction projects accessible to smaller builders
  - iii. Risk does pose an issue
  - iv. Fees would be competitive with the private market
  - v. If the program were profitable it could be separated from the general fund
- Bond and Financial Assistance Program
  - i. The City hires a consultant to provide assistance to prospective builders
  - ii. LA and San Francisco have this type of program
  - iii. Incorporates technical assistance on how to be more bondable
  - iv. The consultant monitors the contractor’s project
  - v. There are costs associated with this which may be offset by savings through accepting less bondable projects
  - vi. A budget proposal has been submitted. It may not be funded due to overall constraints.
  - vii. The SF program includes a loan guarantee
  - viii. Last year 19 companies were helped with bonding; 77 with financial assistance (roughly \$3,600 per business)

- ix. The City might look at the impact of this program on reducing the cost of the bonding
- x. The program probably wouldn't limit the insurer
- Currently the City is spending at a level closer to LA rather than SF
- Some break out of projects by contract amount could be used.
- SMUD may provide another example
- Could the City team up with other organizations on this project
  
- The focus of the DBE program has been on this program
- Mr. Wing provided a listing of projects that have been subject to DBE
- Staff will look at the limits of City outreach to support DBE
- There is no Council approved budget and therefore limited direction. Steve Wing is one of the very few generally funded staff
- The business survey might provide an additional avenue for collecting information about the interest level in the bonding program
  
- CALTRANS is continuing to certify
- The state-wide disparity study is being collected
- The disparity study outreach is not clear at this point
  
- A bonding survey was conducted and the information is being analyzed.

8. COMMERCE ADVOCATE ARTICLE

Posponed

9. 2006 COMMISSION ACCOMPLISHMENTS

Postponed

10. DEVELOP A LIST OF PARTNERS AND PLAN FOR LEVERAGING THEIR EFFORTS TO FURTHER COMMISSION GOALS

- The purpose of this was to discuss what other allies are available
- The "presidents council" composed of Neighborhood Business Districts and Chambers
- Business Service Council
- ICSBC
- NCSDC
- Discussion of roles relative to dissemination of information
- Rudy Rodriguez agreed to play the role of generating content for the newsletters
- How to tie these groups together?

11. EMAIL FROM WEBSITE

None

12. STAFF REPORT

- Indemnification memo from the Attorney's Office

13. REPORT FROM THE CHAIR

- State representative Sam Wallace, State Enterprise Officer was at a La Raza Roundtable meeting on Infrastructure Bond program

14. NEW AGENDA ITEMS

- Survey (Staff – Walter Rossman)
- Commerce Advocate Article (Spencer Horowitz)
- 2006 Commission Accomplishments (Spencer Horowitz)

15. ADJOURNMENT

Motion: Adjourn at 8:14

Motion:            1) Rodriguez    2) Dancer        X app            no