

## **SBE Oversight Committee**

Thursday, June 11, 2020 at 10:00am

Meeting presented via Go To Meeting – <https://global.gotomeeting.com/join/701682117>

### **Meeting Agenda**

#### **SBE Program Goals and Scope:**

The SBE Program is designed to support the development and growth of small enterprises, by promoting opportunities for those businesses to provide goods and services to the City of Tulsa, and by helping them develop successful partnerships with larger enterprises and general contractors

#### **Meeting purpose:**

The members of the SBE Oversight Committee will report, consider, discuss, and potentially recommend action to the Mayor on the following items:

Attendees: Michelle Barnett, La Kendra Carter, Kori Disney, Councilor Vanessa Hall-Harper, Clay Holk, Larry Hood, Mark Huff, Kian Kamas, Krystal Reyes, Rachel Strassberger, Anika Ture, Bill Walker, Paul Zachary

#### **Welcome and check in (5 mins)**

1. Welcome and introductions (Holk)
  - a. Designation of note taker (Strassberger)

Clay Holk started the meeting and informed the members that Rachel will take notes during the meeting. The meeting notes and recording will be sent to the committee members later.

2. Recap and review any items from last meeting (Holk)

Clay stated that several items were carried over from the previous committee meeting and will be discussed today.

#### **Updates and reports (20 mins)**

3. SBE Utilization Report (Holk/Strassberger)
  - a. Review 2018 report memo

Clay presented the 2018 Utilization Report and Summary Memo to the Committee (see attachments for more details). Paul Zachary shared an example of SBE utilization change on a contract, including how SBE Change forms (known as SBE Form 5). Kori Disney asked what would happen if the outgoing SBE contractor refuses to sign the change form.

Paul replied that a change was allowed due to a good faith effort being demonstrated if:

- As long as the Prime Contractor can show they attempted to change SBE contractors per the instructions,

- The new SBE contractor agrees to follow the terms of the contract,
- The project maintains at least 10% SBE utilization.

Paul added that LaKendra Carter and Anika Ture are in contact with the SBE & Prime contractors prior to approving any change forms. Paul added they are open to updating some forms to assist the contractors.

Kori asked Rachel if she could research the top Prime contractors listed on the memo and include the top SBEs they utilize. Rachel reminded Kori that she's taking notes but will get the data out to the committee.

4. Recruitment and programming (Strassberger/Ture)
  - a. Upcoming SBE Quarterly Event, July 9
    - i. 9am – 10am, Delivered Via Go To Meeting
    - ii. "How to Participate in City Engineering & Construction Projects"

Rachel Strassberger informed the committee that the next SBE Event will be virtual, held July 9 at 9am and Engineering Services (Henry, Anika & Ryan) will present on "How to Participate in City Engineering & Construction Projects." Kori Disney asked why it was during the day and why it could not be after hours. Rachel replied that this was the best time which the speakers had indicated, so the event was scheduled around them. Kori added that SBE members took a survey which included questions on day and time preferences for future training and networking events. Councilor Hall-Harper added that she holds most of her events after hours so the public can attend after work. Kian Kamas added that she, Clay and Paul will work together to find a time for the event and Michelle will send over the survey results to Rachel & Clay so they can review and work with Engineering Services.

**For discussion (45 mins)**

5. Discussion re: Policy Proposals (Disney)
  - a. Increasing SBE Utilization

Kori stated that a Prime can use any reason to change an SBE on a project with the SBE Change form without feedback from the outgoing SBE member and there are a lot of issues with these forms. Mark Huff indicated that, as a prime contractor, he would not do so lightly, given the additional work required in changing subcontractors, and thus would only do so if the situation required him to. Clay asked if Kori had any policy proposals regarding this matter which MOED could review for recommendation to the Mayor; Kori replied that she will review the current policies and speak with various SBE members and send those ideas to the committee. Kian asked that current written policies be sent over to Rachel and Clay and Bill Walker with Legal provide input and feedback on what the City is able to do with regards to Change Orders on City projects. Kori asked to be copied when those policies are sent.

Kori asked when we can increase SBE Utilization on the City projects since it appears that most of the Prime contractors are able to get more than 10% for their projects and the Executive Order states that the Committee can review to increase the utilization percentage. Clay advised that due to the limited completed projects data of 2018 and 2019, we will have to review what data we have in order to make a recommendation about this.

- b. Policy for Prime & SBE Contractor Representative Addition and Replacement

Kori asked if the committee could increase the SBE & Prime representative and/or replace if someone is unable to attend on a regular basis. The committee was open to that policy change, and would look at what would be required to change the Executive Order to do so.

**c. Policy regarding Nepotism and Collusion**

Kori shared that she has received concerns from other SBE members about two SBE members who didn't have storefronts or conduct their businesses full-time. Kori also added that there is concern that a new SBE member still works for a graduating SBE company, indicating that there is a conflict of interest. She also believes that small business owners should take 100% risk and work on their own. Councilor Hall-Harper asked how do we know if this is not a front for another, larger business. LaKendra Carter stated that this application was reviewed and was forwarded to Amy Brown for review since it was an unusual application, but there were no conflicts found since they met all the program requirements. Kori stated that she believed that there are several SBE members who should have graduated or the applications were reviewed incorrectly.

Kian asked for a discussion with Legal regarding SBE relationships. Bill suggested an anonymous hotline which both the SBEs and Primes could contact to share any concerns or issues. Clay stated he will add this to the transition plan.

**d. Compliance on Ownership of Assets**

Kori shared that there are concerns that some equipment owned by one SBE is being used as another SBE's equipment on City projects. She asked if there is any way for the City to verify this information. She suggested an accord from their insurance with the listings of their assets and equipment.

Clay said he would have to research this matter by going back to qualifying standards (SBE Program Policies, located on the SBE Program website) to review any rules around equipment rentals. Kian asked if Paul and Engineering has additional policies and procedures and he stated Engineering has written instructions that are included in the contract documents, which he will share.

**6. Presentation of Transition Strategy and Implementation Plan for SBE Program (Holk)**

Clay presented a short PowerPoint discussing the transition of SBE program administration from MORE to MOED (see attachment). Kori asked who MOED and MORE are; Kian replied that MOED is the Mayor's Office of Economic Development. Kori asked if anyone on Kian's team is a small business owner, and Michelle Barnett shared that she was a small business construction owner prior to joining the City.

**7. Update on improving payments between Prime and SBE contractors (Zachary)**

Clay asked if this item could be tabled until the next Quarterly meeting and Paul agreed.

**Closing (5 mins)**

**8. Future agenda items and follow up items (Holk)**

Clay stated that he is open to discuss the Transition Strategy and Implementation Plan for SBE Programs in greater detail if questions arise. Today's notes and recording will be sent to the committee members. Next meeting will be in September.