



VIRTUAL MEETING DRAFT MINUTES & SUMMARY
Thursday, September 8th, 2022

Consistent with AB 361 and City of San Jose Resolution Nos. 80628 and 80659, this meeting will not be physically open to the public and the Small Business Advisory Task Force Members will be teleconferencing from remote locations.

Members of the Public were noticed to submit comments during or before meeting via zoom or email to raania.mohsen@sanjoseca.gov.

Meeting was convened at 4:00 pm.

1. Call to Order & Introductions

PRESENT: Chair Chappie Jones, Alternate James Duran, Allie Lopez, Bettie Owen, Sam Washington, Nga Nguyen,

OTHERS PRESENT: Associate Member Kevin McClelland, Raania Mohsen, Ray Duran, Maria Duran, George Chao, Clarissa Michel

2. Public Comment

(Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter of the Task Force. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate.)

Small, Minority Owned-Business – Contractor – Ray Duran

Discussing responsible bidding with City of San José:

- San José DOT put out bids for ADA ramps on August 29th – September 2nd; 104-150 ramps per project.
- Only five contractors participated because the project is part of the Minor Public Works Projects, which are projects that cost lower than \$700,000.
- Ray's business didn't get any of the ramp contracts, which range from \$4,700-\$5,300 per ramp.
- If a ramp were to be constructed, there are additional repairs required, such as sidewalks and water ways, or any infrastructure that may be part of the ramp installation area, in order to ensure all infrastructure functions.
- This creates additional, unanticipated costs for contractors (i.e., \$0.10 for sidewalks per feet)
- Engineer's estimate: \$613,000

- Other bidders went even lower to \$400,000, which is far below the feasible estimate that includes sidewalks, etc.
- City will go for lowest bidder which leaves out local businesses like Ray's - despite their reasonable estimate.

Vice Mayor Chappie Jones suggested this this item be brought back for discussion in future SBATF meeting to ensure that City of San José is providing opportunities to all responsible bidders, especially with consideration to our local, minority owned businesses.

3. Consent Calendar

A. Approval of Minutes for the Virtual Regular Meeting of June 9th, 2022

ACTION: Approval of Consent Calendar was moved by Bettie Owen and seconded by Kevin McClelland. Motion passed unanimously (7:0:3; Absent: Kelly, Kim, Wang).

4. New Business

A. Manufacturing Grant Opportunity at Manex (George Chao)

- Mission: Grow U.S. manufacturing and manufacturing jobs // “The Corporation of Manufacturing Excellence”
- This is Manex’s 4th year getting a small business grant from the State of California.
- In October, Manex expects to receive a \$400,000 grant, which Manex wants to use to help the small businesses of San José.
- Funded by the U.S. Chamber of Commerce
- Manex is a nonprofit providing 27 years of services to manufactures:
 - They work hand in hand with California Manufacturing Technology Consulting (CMTC) as a Subrecipient Partner
 - Average year, they complete 80-100 projects in 75-90 different manufacturing companies in Northern CA, with some form of grant or ETP support.
- Independently measured outcomes:
 - Reduce costs
 - Increase sales – launch, scale, establish new products and markets
 - Retain sales – supply chain and regulatory certifications, value stream mapping
 - Improve Quality
 - Streamline Operations
 - Workforce Development
 - Reduce Risk
 - Capital Equipment Decisions

- Manex aims to fill the gap for underserved small and medium sized manufacturers (most of CA manufacturing) with a focus on women, minority, and/or veteran owned businesses.
 - They connect their manufacturers to a national network to provide opportunities of growth
 - They also consult, advise, and connect to lower costs, increase competitiveness, revenue profitability.
 - Real world independent impact surveys drive funding and provide a great lens on the work
 - Workforce and owner driven for both community and business impacts.
- Additional background on Manex:
 - Manex has a small but efficient staff.
 - 40-50 consultants with various expertise and knowledge in: food, medical supplies, quality, safety, lean, marketing, sales, scaling, supply chain
 - Manex holds connections to National Labs and Universities (I.e., Stanford, UC Berkeley, SJSU)
 - CMTC relationships have allowed for statewide approach and service delivery
 - With Manex's 27 years of history with CMTC and National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP), which allows for a fast understanding of Federal and State resources and implementation.
- Requirements for Manex's Small Business Technical Assistance Grant:
 - Applicant must be a manufacturer
 - Has a maximum of 75 employees
 - Minority, women, or veteran owned business
- Rolling 4 Quarters of Independently Measured Impacts:
 - Fors Marsh Group (FMG) designed a research program that included developing an impact survey to measure the growth of manufacturing companies in NIST's MEP program. The results of the survey determine the specific metrics reported by client manufacturers. The following are a result of those metrics and these impact the individual employee as well as owners and leaders in Northern CA manufacturers.
 - \$29.6 Million in New Sales
 - \$259.4 Million in Retained Sales
 - 2,806 Jobs created and retained
 - \$100.8 Million New Investments
 - \$19.2 Million in Cost Savings
- About George Chao:
 - He has over 20 years of experience in business development in technology and advanced manufacturing areas.

- Extensive strategy, marketing, sales, cyber security, and manufacturing experience in: Semiconductor, Aerospace, Renewable Energy and Machine shops.
- Founder of two early-stage startups
- UC Berkeley B.S. Engineering Physics
- Certificate: Smart Manufacturing MIT
- Certified Cybersecurity Maturity Model Certification (CMMC) Professional
- Director of Strategic Partnership at Manex

Questions/Comments:

- What are you looking for in terms of how we (SBATF) can support you?
Any manufacturing company can tap into the funding provided by Manex - bring awareness to this growth opportunity.
- For vendors that make their own goods, such as those at Flea Markets, would they qualify for this funding? Does it have to be a tech company/product?
 - Yes, Manex can help small businesses expand, and provide resources, including finding manufacturing companies that can help their business grow and increase sales.
 - Manex also helps food businesses go through food safety processes to encourage getting their products sold at larger department stores, such as Walmart, etc.
 - As long as you make something, Manex will help expand – does not have to be tech.
- I have a startup company that is making green products. Would this be something that can work with Manex – qualify for the grant?
 - Yes, we can help with making your website, sales, marketing.
 - Will assist with seeking warehouses for manufacturing purposes.
 - We can help you look at your flow and logistics of the warehouse, if you already have one.
- Is the eligibility criteria on your website?
 - Not until we get the October grant from the state
 - Criteria presented today was the criteria utilized to determine eligibility last year. This year's terms will not be finalized/determined until the grant is received, but it is likely that the criteria will remain the same as last year's, as presented today.
 - Once criteria is established, they will be posted on the website. Grant approval is expected in the coming two weeks.
- Is there leftover funding from the previous year or is it all expended?
 - Grant money was all used, nothing left from last year
- Is there an application process or is it first come first serve?
 - It is first come, first serve. We have criteria, we talk to the businesses and if they qualify, we grant them funding.
 - George will create one pager of criteria and qualifying process and send to District 1 Office to advertise and inform local, qualifying businesses.

B. Public Works Update: Meet the Primes Event & Construction Academy (Clarissa Michel)

Meet the Primes Event:

- City of San José, Santa Clara Valley Transportation Authority, and the Santa Clara Valley Water District is hosting Meet the Prime event on September 22nd, 2022 from 12:00pm-4:00pm
 - It is a free in-person event to provide opportunities to small, local businesses with a focus in construction.
 - Allows small businesses to meet with prime contractors in San José and learn about the requirements needed to work with Prime firms.
 - Learn about contracting opportunities at City of San José and how to prepare for projects they can acquire with City.
 - Event will have 34 different Prime Contractors who will host a table at the event.
 - This is a great opportunity for Prime contractors and small businesses to work together and grow.

Questions/Comments:

- Task Force members requested flyers of the event. Clarissa will send it to Raania who can email to the rest of attendees and Task Force members.

Construction Academy:

- Updates from Clarissa on Spring 2022 Construction Academy (held in May for a few weeks):
 - **72** businesses registered for the academy
 - **66** businesses participated in the academy (some of the 66 participants did not complete the entire academy or start the exam)
 - **14** businesses passed the test (14 completed the entire academy)
 - This may have something to do with medium if the meetings, perhaps a con to hybrid or virtual changes needed to accommodate pandemic safety precautions
 - A few delays on getting content digitized
 - Clarissa can provide additional list of pros and cons of academy

Questions/Comments:

- Task Force Member Lopez noted she found the test was easy and passed the test when she took it. The messaging might need to be revisited so that people understand what they're getting out of the test.
- Vice Mayor Chappie Jones noted that the District 1 Office can assist with reaching out to the specific businesses that finished the academy and didn't take or pass the test.

- Is there some way we can do follow up work to reach out to these businesses and get feedback, so that we can provide adequate support and understand what refinements need to be made to the program (I.e., finding orgs that are a right fit for the academy)?

5. Announcements

- Raania Mohsen noted that the disparity study is underway. We did end up piggybacking off the County's procured study, so we are able to save money for the City and start quickly. There will be some outreach that the City will be doing soon to get feedback.
- Vice Mayor Chappie Jones shared that funding was appropriated to transition the Small Business Task Force into a standing committee. We will be working with OED to determine what it will look like in terms of design and structure. The plan is to bring something to this body to provide input for next year.

6. Adjournment

Meeting was adjourned at 4:41 pm.



HON. CHAPPIE JONES, CHAIR

ATTEST:

ADVISORY TASK FORCE SECRETARY



RAANIA MOHSEN, DEPUTY CHIEF OF STAFF