



Local Business Enterprise Advisory Committee (LBEAC) Meeting
September 3, 2026 Meeting Minutes

1. Call to Order/Introduction

Chair Galarza called the meeting to order at 10:04 AM

Committee Members Present: Matthew Ajiake, Darolyn Davis, Miguel Galarza, Bruce Giron, Kamal Hubbard, Queena Lu, Wayne Perry, Jae Shin, Ben Washington

Committee Members Absent: Kyndra Cox, Elahe Enssani, Tricia Gregory, Sailaja Kurella, Kent Lim, Tiffany Tatum

CMD Staff Present: Regina Chan, Queena Chen, Helen Smolinski

Members of the Public Present: See Guest Sign-In Sheet posted on LBEAC Meeting page.

2. Discussion on the City's Payment Timelines – Anh Ton, Principal Administrative Analyst II, Office of the City Administrator

- a. Anh Ton presented: "Improving City Payment Timelines".
- b. Presentation Goals included:
 - i. Providing an update on the City's project to improve City payment timelines.
 - ii. Prioritizing among different solutions to explore further.
 - iii. Sharing the project's planned next steps.
 - iv. Collecting additional feedback and anecdotes from meeting attendees to incorporate into final project product.
- c. Preliminary Findings:
 - i. After extensive research was conducted with City staff and Prime and subcontractor firms, Anh's office learned payment challenges are not simple and span policy, procedural, technological, budgetary, communications, and capacity issues. These payment challenges have been around a long time and attempts to correct date back at least to the Newsom Administration.
 - ii. No single role or function is to blame for the delays; it's the City's culture and approval structures that inhibit timely payments.
 - iii. These challenges are not limited to the construction sector.
 - iv. Anh's office realized they needed to bring more visibility to the project and broaden its scope if change is to happen.
- d. Solutions:
 - i. Supplier-facing ideas: create a user-friendly payment tracking dashboard; standardize practices for accepting invoices with annotations; consider a new materiality or tolerance standard (no more pennies!); "short pay" (pay for undisputed amounts); consider decoupling certain administrative compliance requirements from payment processing and consider other enforcement options; and explore whether mobilization payments can be

- used to support LBEs early in projects and the standards that would be required for documentation/accountability of LBE advances in mobilizations.
- ii. Many of these solutions would require deep dives into data governance and collection, a shared understanding of policies with the City's external auditors and internal finance and accounting leaders, cross-departmental collaboration and standardization, political capital, and culture change.
 - e. Next steps and Reminders:
 - i. Additional public engagement is planned to hear from different types of suppliers and grantees (dates and times shared throughout September and October 2026), including a workshop focused on Professional & General Services on October 27.
 - ii. The final report is expected by end of year with implementation planning to follow shortly after. The goal remains to effectuate new solutions in 2027.
 - f. Discussion and Public Comment:
 - i. Suggestions and comments regarding Prompt Payment included:
 1. Looking at how other cities, states, and the federal government adhere to more prompt timelines for payment (Feds take 14 days)
 2. Reviewing the Oracle system at SFO
 3. Designing separate payment processes for construction contracts vs. professional services contracts.
 4. LBEs should not have to wait so long (up to a year, some said) for payment from the City. LBEs do not want to be the City's lender/bank.
 5. There are different invoice requirements across City departments, but also within even the same department, like PUC.
 6. Create a cross-departmental task force with key decision makers, to meet quarterly, and standardize and streamline the process, e.g., a 30-day payment window like the banks that LBEs do business with.
 7. The City's payment timeline is so antithetical to accepted business practices that it hurts LBEs that are trying to do business with other firms and get loans.
 8. Uncouple direct costs (some City depts. pay, others don't) so that LBEs can pay their vendors.
 9. LBEs need a point person throughout the payment process because the City's systems are not transparent and can be held up with little-to-no accountability from staff.
 10. Retention on professional services contracts be addressed because there's no need for it.
 11. Prompt payment problem has been around for too long for seemingly no change to have occurred
 12. City should spend less time on additional outreach and more time on standardizing a user-friendly dashboard (like SOLIS) that shows who is accountable at what stage of the payment process across the City.
 13. Some voiced discontent at having to provide the City with their subcontractors' invoices because the City doesn't have the contract with the subs, but with the Prime.
 14. Streamline the process over a new dashboard and pointed to a firm in attendance whose business that is.
 15. Attendees as a group asked Anh to come back and address the group again when they can meet with the City's decision makers and form a proper task force.
 - ii. Committee Member Hubbard noted the SBA size changes will have an impact on small businesses with revenue thresholds increasing. He announced the deadline for public comment is September 21, 2026.

3. Review and approval of the August 6, 2026 LBEAC meeting minutes
 - a. Darolyn Davis, seconded by Bruce Giron, moved to approve the August 6, 2026 LBEAC Meeting Minutes.
 - i. Ayes: Ajiake, Galarza, Hubbard, Lu, Shin, Washington
 - ii. Nays: None
 - iii. Abstain: Perry
 - iv. Motion carries.
4. Adjournment
 - a. The meeting was adjourned at 11:56 AM.