

Caltrans Statewide Small Business Council – Meeting Record
Lanatt Street Training Center – 3390 Lanatt St., Sacramento, CA 95819
July 18, 2014, 8:30 a.m. to 12:00 p.m.

Action/Task	Who is responsible/ presented	By when	Status
A. Meeting called to order at 8:34 a.m.	Angela Shell, Assistant Director, OBEO and Council Chair		
B. Action Items to Date	Angela Shell		
Action Item from previous meetings:			
ACTION ITEM #3: Chair Shell to take the language on insurance requirements presented by Ms. Llewellyn to Caltrans Legal and OE for review and feedback.	Chair Shell	7-18-14	ASSIGNED – proposed language on insurance requirements changes researched by the DBE Participation Committee; per Ms. Llewellyn, the solution provided is still not acceptable. Work on this matter will continue with the Construction and DBE Participation Committees.
Action item from the March 2014 meeting:			
ACTION ITEM #1: I-405 utilization information requested.	Chair Shell	5-16-14	COMPLETED – report included in meeting packet.
Action Items from the May 2014 meeting:			
ACTION ITEM #1: Develop an Executive Summary of the Award Tracker report.	Ramon Carlos	7-18-14	COMPLETED – distributed at the meeting; Chair Shell would like to receive feedback on this first attempt.
ACTION ITEM #2: Develop a report that tracks dollars spent on commodities.	Sherri Gastinell	7-18-12	ASSIGNED – working with Accounting; update at the September SBC meeting.
ACTION ITEM #3: Provide a report on design/build utilization.	Chair Shell	7-18-14	COMPLETED – Ray Tritt provided a report on design/build utilization at the July 18 full council meeting.
Action Items from the July 2014 meeting:			
Action Item #1: Status on inclusion of commodities suppliers in pre-bid manual as a means to fulfill DBE goal.	Ramon Carlos	9-19-14	ASSIGNED – report on progress at the September SBC meeting.
Action Item #2: Provide the CUF worksheet draft to members.	Carole Ching	7-21-14	COMPLETED – emailed to members.
Action Item #3: Design/Build breakdown of A&E numbers.	Councilmembers Rod Garcia and Richard Hernandez to work with Ray Tritt	9-19-14	ASSIGNED – report on progress at the September SBC meeting.
Action Item #4: Report on meeting with CUCP members held in August regarding application backlog.	Janice Salais	9-19-14	ASSIGNED – update at the next SBC meeting.

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Action Item #5: Explore the possibility of splitting the fuel contracts into two separate contracts, one for state, and one for federal.	Ramon Carlos	9-19-14	ASSIGNED – update at the next SBC meeting.
Action Item #6: Review SB 1215 for further action.	Chair Shell	9-19-14	ASSIGNED – update at the next SBC meeting.
<p>A. Agenda review and remarks – Chair Shell</p> <ol style="list-style-type: none"> 1. Strategic Planning Committee – meeting held on 7/8/14 <ol style="list-style-type: none"> a. Discussed effectiveness of the council, how to improve processes, report on accomplishments. b. Council’s standing committees - discussed attendance; representation of members amongst the current committees; development and follow through on goals and objectives. c. Action items – maintaining follow through. d. Reviewing the membership application process. e. Updating the Operating Guidelines. f. Next meeting will be held before the SBC meets in September. g. Goal is to complete the committee’s work by the September SBC meeting. 2. DBE report - June year-to-date – 11.92% (12% is the goal); Office of Engineer contracts, 10.53%; Procurements and Contracts, 20.08%; Division of Local Assistance, 12.74%. 3. Award Tracker report – refer to the hard copies of this report distributed at the meeting <ol style="list-style-type: none"> a. First attempt to provide analyses of the various spreadsheets included in this report. b. First bullet – summary of the report contents. c. Explanation of the various attachments. d. The Award Tracker report is generated by the Office Engineer; need to re-work the PDF in order to include the summary and explanations. e. Attachment B – report on DBE participation, DBE goals, DBE and DVBE commitments; currently at 4.3%, which is over the 3% mandated. f. Good Faith Effort (GFE) denials – lists two contractors. g. Attachment C – DVBE commitment. h. Attachment D – federal projects, which follow the federal fiscal year, different from the State’s fiscal year; federal fiscal year begins on October 1. i. Last page – every district awarded for the month of the report. j. Reminder – the Award Tracker report can be found online on the Office of Engineer web page. <p>Discussion:</p> <ol style="list-style-type: none"> 1. Re: 11.92% DBE commitment – possible to provide an ethnic group breakdown. 2. Concern raised re: number of contracts awarded with GFE – OBEO is looking in to this matter, especially in certain districts. Lance Yokota, FHWA, noted less than 10% of the contracts awarded for the federal fiscal year have been accepted with GFE. 3. DBEs in rural areas – SBs need more incentive to become DBE certified. 4. DBE certified commodities suppliers as means to fulfill DBE goal – status on language change to include this in the pre-bid manual. <p>Action Item review – refer to Action Item list on page 1 of this meeting record.</p>			
Action Item #1: Status on inclusion of commodities suppliers in pre-bid manual as a means to fulfill DBE goal.			
B. Highlights from the Director’s Office – Steven Keck, Deputy Director, Finance			

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<ol style="list-style-type: none"> 1. State budget – signed by Governor Brown on June 15. 2. Fewer projects in the future due to decrease in Prop 1B funding. 3. Cap on carbon emissions and credits – revenue distribution: 25%, High Speed Rail; 5%, local transit agencies; 10%, new program to transit and rail. 4. Re: Federal Highway Trust Fund – U.S. Department of Transportation, Secretary Fox has been pressing the urgency of the situation; at this time, California will receive 70% of what would normally be distributed. Congress is working on a long-term solution. 			
C. District 11 Report – Laurie Berman, District Director			
<ol style="list-style-type: none"> 1. Prime Contractors Award ceremony scheduled for 8/27/14 following the district Small Business Council meeting – recognizes the top three primes in both A&E and Construction that have met or surpassed their contract utilization goals. 2. Small Business Outreach Unit <ol style="list-style-type: none"> a. California Construction Expo, 7/31/14, Long Beach Convention Center – annual event sponsored by the Department of General Services; over 1,000 attendees from southern California. b. Navy Gold Coast Small Business Procurement Event, 8/12-8/13/14, San Diego Convention Center. 3. I-805 North Design Build <ol style="list-style-type: none"> a. Overall construction is 48% complete; one and a half years of construction remaining. b. Upcoming bid opportunities in September for landscaping and irrigation. c. Ongoing bid opportunities for construction supplies. d. DBE goal is 8%; current utilization of 9% has exceeded this goal. 4. I-5/I-805 Carroll Canyon Project – total expended to date is \$84.2 million; DBE goal was 5%; utilization numbers not yet available. 			
D. District 3 Report – John Rodrigues, Acting District Director			
<ol style="list-style-type: none"> 1. \$160 million in construction projects to be advertised in the upcoming year, which is half of what the district has managed in past years. Mr. Rodrigues cited the depletion of Prop 1B funding as directly related to the decrease in number of projects and the North Region. 2. As of June 2014, utilization is 6.5%, DVBE; 9.9%, SB. 3. For Federal Fiscal Year 2013/2014 – DBE participation on 11 OE projects worth over \$42 million has been 12.2%. 4. Current A&E contracts have committed over \$1 million to DBE participation for an average participation of between 9% to 12%; contracts expire in 2016-2017. 			
E. District 10 Report – Dennis Agar, District Director (newly appointed)			
<ol style="list-style-type: none"> 1. District has a current construction allotment of \$701 million to fund 36 ongoing projects throughout the district. 2. CTC has voted to approve approximately \$110 million for district projects. 3. Currently have five projects out for bid worth \$88 million in construction scheduled to go out for bid. 4. Third quarter spending: <ol style="list-style-type: none"> a. Total SB participation, 52.7%; exceeds the district’s goal of 25%. b. Total DVBE participation, 4.1%; goal set at 4%, but numbers may change pending an update for the fourth quarter by DPAC. c. Total DBE achievement for past fiscal year 2013/2014, 10%; goal had been set at 12.5%. 5. Outreach events the district has hosted and attended: <ol style="list-style-type: none"> a. “I’m Certified, Now What?,” 5/22/14, San Joaquin County Hispanic Chamber of Commerce – presenters included BART, DGS, EDD, and the district’s Small Business Office; 22 SBs attended. 			

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<ul style="list-style-type: none"> b. Operation Entrepreneur, 6/20/14 – partnership with California Community Colleges, DGS, SBA, PG&E; 2-day workshop to assist college veteran entrepreneurs. c. Get Connected Small Business Expo, 8/27/14 – the district’s signature event, to be hosted by the Stockton Regional Public Agency Consortium; over 50 exhibitors, 200 SBs, diverse workshops. d. DVBE information and resources workshops – the district is collaborating with the County Veterans Service Offices to host and present these workshops. Scheduled: Mother Lode Counties, August; Central Valley Counties, September. e. Veterans’ Business Fair, 11/6/14 – partnering with Alliance SBDC in Stanislaus County 			
<p>6. Computer lab for SBs – pilot program at the District Office; the district training room computer lab will be open one day each month to SBs; to be in conjunction with the DGS webinar, “I’m certified, now what?” The District Small Business Liaison will be on hand to provide assistance to participants.</p>			
<p>F. District 8 Report – David Knudsen, Manager, EEO Office, Small Business & Disadvantage Business Enterprise</p> <ul style="list-style-type: none"> 1. Southern California Region SBC <ul style="list-style-type: none"> a. Members have been selected. b. First meeting scheduled for October. c. Result of a partnership between Districts 7, 8, and 12; representatives from those districts have been meeting for over a year to bring the regional council together. 2. Mandatory pre-bid meetings – since November, the district has held five. 3. Workshops – since November, the district has designed and hosted two workshops on DBEs and one on bonding. 			
<p>G. FHWA Update – Vincent Mammano</p> <ul style="list-style-type: none"> 1. Highway Trust Fund – reauthorization expires in September; as of the date of this meeting, reauthorization of the trust fund, MAP-21, or authorization of GROW AMERICA has not been successful. 2. In the meantime, California is looking into how it is going to fund projects in the future. 3. Aimee Kratovil, Division Director, Performance Management, FHWA – will be working with Lance Yokota, Civil Rights Manager, and Will McClure. 4. Mr. Mammano noted the increased amount of data now available to council members as an improvement. 			
<p>H. Meeting Record approval</p> <ul style="list-style-type: none"> 1. No changes. 2. Motion to approve the meeting record for the month of May, 2014, Council Member Debbie Hunsaker; second, Council Member Eddy Lau. 3. The ayes have it; the meeting record for the month of May, 2014 is approved. 			
<p>I. DGS Update and Presentation – Angel Carrera and Jim Butler of DGS Procurement, who provided a PowerPoint presentation</p> <ul style="list-style-type: none"> 1. Mr. Carrera mentioned DGS operates a Small Business Council, as well. 2. Presentation by Jim Butler <ul style="list-style-type: none"> a. Administers DVBE and SBs. b. They have doubled the number of certified SBs to 30,000. c. DVBE certification application can be completed in 45 minutes; recertification, less than a day. d. Ten to twenty day turnaround to become DVBE certified. 			

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<ul style="list-style-type: none"> e. Outreach events schedule available online on the DGS web site. f. Annual report – contracting broken down into different categories; also provide break downs for DVBE and SBs. g. The State has been reaching DVBE goals over the last three years; however it has not been meeting the 25% SB goal. DGS has been working on initiatives to increase those numbers. h. Commercially useful function (CUF) is a requirement, and is in place to prevent pass throughs. Members requested the CUF worksheet draft mentioned by Mr. Butler. [Provided to members via email on 7/21/14.] i. FISCAL – new financial system that went live on July 16, 2014; DVBEs and SBs will be affected. j. DVBE firms – DGS has contacted California Department of Veterans Affairs (CDVA) to work on increasing the number of certified DVBEs through outreach. 			
Action Item #2: Provide the CUF worksheet draft to members.			
J. Ad Hoc Committee Report – African American DBE Participation – Eddy Lau, Committee Chair			
<ul style="list-style-type: none"> 1. Met in May after the council meeting. 2. Noted the DBE utilization data indicates .71% African American participation. 3. Trying to find ways to increase the African American firm database to address low African American certification goals and low participation. 4. Pilot project <ul style="list-style-type: none"> a. Making recommendations for Minor B projects; increasing to one or more African American firms. b. Unbundling major contracts in a way similar to what District 4 does with Minor B projects. c. Go through a procurement process to include more African American firms. d. Working with the committee to draft a letter to Director Dougherty. 			
K. Design/Build Update – Ray Tritt			
<ul style="list-style-type: none"> 1. Getting DBEs to participate in Design/Build projects <ul style="list-style-type: none"> a. Rather than list all subs, prime contractor must submit a plan to utilize DBE or UDBE. b. The plan must show what outreach has been done, what will be done to recruit DBEs, and what has been done to meet the goal. c. Reports must be submitted each month and every quarter to show what the firm has done to meet their goal. d. Liquidated damages – if the firm fails to meet the goal, they must pay back the percentage of the goal they did not meet. 2. Projects to date – refer to the handout distributed. Shows project, design/builder, project goal, committed, paid to date, and percentage completed. 3. Considering this model for another ten projects. 			
Action Item #3: Design/Build breakdown of A&E figures.			
L. Committee Meeting Reports			
<ul style="list-style-type: none"> 1. Local Assistance – Richard Hernandez, Chair <ul style="list-style-type: none"> a. DBE strategic plan – working on this. b. Chapter 9 of the Local Assistance manual due for review; last revision done in 2009. c. Unbundling contracts needs to be done. d. Committee action items – good response from Ray Tritt regarding Design/Build. 			

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<p>2. Professional Services – Bill Ulmer, Chair</p> <ul style="list-style-type: none"> a. Committee reviewed its list of fourteen recommendations, some of which are still being looked at, others awaiting response from DPAC, some that cannot be addressed at this time. b. Reviewed A&E utilization reports – feedback from members on fields not yet listed, questions and answers on how the report should be designed; anticipate receiving a draft from OBEO within the next two months. c. Policy changes regarding the State’s SBE/DBE option – can it be used for A&E projects? Francesca Negri, DPAC, to look into this. 			
<p>3. Commodities – Chris Chavez, Chair</p> <ul style="list-style-type: none"> a. Increasing committee membership still an issue. b. DBE certification process discussed – suggested that OBEO can update its brochure; currently Caltrans certification processing time is two to three months, not two years. Janice Salais, Certification, noted there are nine agencies that provide DBE certification, of which Caltrans is one. The CUCP will be meeting in August, at which time Ms. Salais will bring up the issue of backlog. c. CalMentor program geared towards firms that handle commodities is almost in place. 			
<p>Action Item #4: Report on meeting with CUCP members held in August regarding application backlog.</p>			
<p>4. Construction – Debbie Hunsaker, Co-Chair</p> <ul style="list-style-type: none"> a. Member participation was down. b. Insurance – discussed recommended solutions; SBs and DBEs do have to deal with liability, so insurance is a necessity. Will be revisiting the OCIP program. c. Prompt payment – currently a topic of focus for the DBE Participation Committee. d. Stop notices – not a current issue at this time. e. Committee’s award to prime and DBE firms – still receiving nominations; the committee will be meeting via teleconference to discuss their progress on this matter. f. Emergency work – new issue of focus for the committee; looking at payment and policies surrounding this topic. g. Safety – emphasized the importance of safety, necessity to look at new technologies. 			
<p>M. New Business</p> <ul style="list-style-type: none"> 1. Include the most current quarterly report on Commitment at Award in meeting packets. 2. CUF worksheet from DGS requested. 3. Design/Build breakdown of A&E figures. 4. Fuel contracts – because Caltrans is receiving funds from both the federal and state governments, is it possible to advertise two separate contracts? While the federal government contract would have a DBE goal, the state government contract would have a DVBE goal. 5. SB 1215 – Council Member Fred Jordan suggested Caltrans consider taking another look at SB 1215 for further action. 6. DBE Supportive Services contract – current status discussed; Chair Shell stated three protests are currently being addressed and delayed the selected contractor, GCAP, from moving forward. 			
<p>Action Item #5: Explore the possibility of splitting the fuel contracts into two separate contracts, one for state, and one for federal.</p>			
<p>Action Item #6: Review SB 1215 for further action.</p>			

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N. Public Comment – Chair Shell, Facilitator			
1. Members expressed congratulations to Chair Shell on her new position as Assistant Director of OBEO. 2. Ricky Johnson, R.C. Johnson and Associates – strongly supported Chair Shell’s position as the new Assistant Director of OBEO. 3. Council Member Josie Calderon spoke of the RJ Donovan project, which has no DBE goal, however her organization will be working with them to bring diversity to the project.			
Meeting adjourned: 12:02 p.m.			
Next meeting: September 19, 2014, District 7 Office, Los Angeles	Carole Ching to notify SBC members with further details.	7-22-14	Email message sent to members and their alternates.

DOCUMENTS included in the meeting packet/distributed at the meeting:

- Meeting agenda
- Meeting record draft, May 16, 2014
- Award Tracker Report, June 2014
- Award Tracker Report, June 2014 with Executive Summary and other notes
- Report, DBE Commitment on Federal-Aid Projects
- Report, District Monthly Awarded Contracts, Federal Aid Construction, YTD 10/1/13 to 6/30/14
- Brief biography – Jim Butler
- DGS presentation – PowerPoint handout
- Design-Build Demonstration Program, UDBE/DBE Utilization

PRESENT

Council Members:

- | | |
|---|---|
| 1. Ajiake, Matthew (teleconference)
2. Calderon, Josie
3. Chaudhary, Arvin
4. Chavez, Chris
5. Coleman, Sharon (Alt.)
6. Cunningham, Lee | 7. Garcia, Brenna Butler
8. Garcia, Rodrigo
9. Halm, Eric
10. Hernandez, Richard
11. Hou, Johnathan
12. Hunsaker, Debbie
13. Jordan, Fred |
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14. Lau, Eddy
15. Llewellyn, Rebecca
16. Patten, Zeke
17. Thompson, Delores (Alt.)
18. Ulmer, Bill

Caltrans Staff:

1. Shell, Angela, Assistant Director, OBEO & Council Chair
2. Agar, Dennis, District 10
3. Berman, Laurie, District 11
4. Carlos, Ramon, OBEO
5. Ching, Carole, OBEO
6. Delgado, Sylvia, District 7 (teleconference)
7. Gatinell, Sherri, OBEO
8. Gongora, Michelle, District 11 (teleconference)
9. Keck, Steven, Budgets
10. Knudsen, David, District 8 (teleconference)
11. McGowan, Cyndee, District 11 (teleconference)
12. Negri, Francesca, DPAC
13. Prandini, Camillo, Construction
14. Roberts, Gloria (teleconference)
15. Rodrigues, John, District 3
16. Salais, Janice, OBEO
17. Solis, Mario, OBEO (teleconference)
18. Tritt, Ray, Special Projects
19. Van, Lynette (teleconference)
20. Weissman, Trina, OBEO
21. Whitmore, Liza, District 3
22. Zhang, Ray, Local Assistance

Guests:

1. Butler, Jim, DGS
2. Carrera, Angel, DGS
3. Hassoun, Sam, AGC
4. Kratovil, Aimee, FHWA
5. Mammano, Vincent, FHWA
6. Yokota, Lance, FHWA

Public Participants:

Ricky Johnson, R.C. Johnson