

Caltrans State-Wide Small Business Council Meeting Record

September 15th, 2023, 8:30 a.m. – 12:00 p.m.

- Conducted via WebEx and at Caltrans Headquarters, Room 2116, 1120 N St., Sacramento, CA 95814
- Next Meeting: November 16th and November 17th, via WebEx.

Action Items

- Address the separation of Local Assistance and Professional Services at the ad hoc Committee Taskforce meeting on September 21st.
- Evaluate the government code and status of partner badges for council members.

Welcome and Council Member Roll Call

- Meeting Start Time: 8:30 a.m.
- Director David DeLuz noted the following events with flyers enclosed in meeting packets:
 - Construction Mentor Protégé Program
 - 3rd Annual DBE Summit
 - 2023 North Region Virtual Procurement Fair

Agenda Review and Meeting Record Approval

- Eddy Lau motioned to add a discussion item about the Caltrans partner badges and SBC travel expenses to the agenda.
 - This discussion item will be handled in the New Business section.
- Motion to move the July 28th meeting record forward with all necessary corrections. Debbie Hunsaker seconded.
Motion passed.

Highlights from the Director's Office – Michael Keever, Chief Deputy Director

- Historically, the California transportation system has negatively impacted vulnerable communities, and Caltrans is dedicated to achieving better outcomes moving forward.
 - Caltrans is now on a trajectory to reach \$1 billion in contract awards to disadvantaged business enterprises (DBEs) in the coming months.
 - This is a sharp jump from the \$100 million Caltrans awarded DBEs in 2009.
- The number of bidders on small contracts is going down.
 - Caltrans wants to find people who are capable and ready to do the work.
- National Summer Transportation Institute (NSTI) Graduation
 - 84 disadvantaged high school students from the Federal Highway Administration's National Summer Transportation Institute graduated in August 2023, at CSU Los Angeles and CA State Polytechnic University.

- Congratulations to these students and many thanks to the Federal Highway Administration.
- Mentor Protégé Program
 - Bonny Nyaga discussed expanding the Mentor Construction Protégé Program.
 - Expanded to 7 so far. 50 new firms graduated from this program and have worked with Caltrans.
- Caltrans 3rd Annual DBE Summit
 - This summit will be from 8:30 a.m. to 1 p.m. October 10th at the Craneway Pavilion in Richmond, CA.
 - SBC members have connections; get the word out to your organizations.
- Late last month, the California Transportation Commission allocated more than \$3.1 billion to rebuild and upgrade the State's transportation infrastructure.
 - This funding is in the pipeline.
- Emergency Response
 - Hurricane Hilary caused a lot of havoc.
 - Hopeful that wildfire season won't be as bad. Santa Ana wind season is oncoming.
 - Responding to emergencies is a lot of what Caltrans does.
- New Appointments
 - Marjani Rollins was appointed Office Chief of the new OCR Business and Workforce Development Center. Many congratulations to Marjani.
- Comments and Questions:
 - Debbie Hunsaker: What is keeping small businesses from doing more Caltrans work? The labor shortage. Getting union workers or even folks who are experienced is difficult. There is so much work out there. The primes are hiring all the labor.
 - That is one of the reasons Caltrans is encouraging apprenticeships to try to bring more people into that workforce. There is a good chance they will end up working in transportation. (Mike Keever)
 - We are launching our second Heavy Equipment Operator academy. There were over 240 applicants for 20 open slots. There is a huge demand. FHWA has continued to commit funds to Caltrans to continue this program. There is interest in expanding this effort to other construction trades. (David DeLuz)
 - Debbie Hunsaker: In my industry, traffic control, recent legislation changed who can train the workforce. I am trying to replace someone. I cannot get one union traffic controller. As you work internally, please keep that in mind.
 - In terms of bringing people into transportation; compliments on 84 students from disadvantaged backgrounds graduating. It's a good idea to tie that into a STEM program. (Fred Jordan)

- It is a STEM program. The 84 number count is high schoolers. There were 73 additional middle schoolers. That's over 150 students participating. (David DeLuz)
- How do you prepare project managers about expectations for DBEs? A lot of this work and efforts are fraught at the end of the day because it's the project managers who make those decisions to obtain DBEs and support their work and encourage primes to use them. (Dr. Matthew Ajiake)
 - Equity and participation for all is a huge for Caltrans. Caltrans has a Project Manager (PM) Academy. In the last 2 years, we have hired close to 5,000 new people at Caltrans. Will discuss with Donna Berry, Chief Engineer, to see what is occurring with our PM Academy. (Mike Keever)
 - Dr. Matthew Ajiake suggests that the message of DBEs and work with Caltrans project managers is made clearer and more consistent. Ajiake says that small businesses have conveyed that project managers do not understand that the pursuit of small businesses is a part of Caltrans's goals.
- Lynn Chen hears the contractor's concerns about emergency calls. When those situations happen, emergency calls go to the contractor. Most are concerned about the process to get paid.
 - We have made a policy change on emergency contracts. (David DeLuz)
 - That was a problem highlighted by a mass amount of emergency contracts last year. Hopefully, that is not the case this year. There is an overarching process. Supply payment options are provided at the point of verbal. We execute the deal earlier to allow for payment much earlier. We heard in the past that payment can take months. Verbal means it starts at a certain amount but it grows. It can triple. We want to allow a much faster payment mechanism. We did implement the policy in late August. (David Prizmich)
 - Lynn Chen states that the verbal part isn't preferred, as it does not assist with record keeping.
 - This is shortcut language. To go fast they will call people and say there is work that needs to be done internally, that initiates the emergency contracts. (Mike Keever)
 - We typically follow up with an email summarizing that verbal approval. That's a practice we have in District 2. Any communications externally would be in a similar fashion. (Dave Moore)
 - If it's emergency work, shouldn't the payment be an emergency? (Jay King)

- Internally we are working through the logistics to get our part done faster. The State Controller's Office still must cover the check. We work with them to expedite it. There is an additional cost for them to expedite it and they put it at the front of the line to get it done faster. (Mike Keever)
 - Are you doing ACH's? (Zeke Patten)
 - It depends on the type of contract. For some contracts, yes, for others, no. We should all have access to electronic payment. Steadfast rules at the State Controller's office. But we asking why. (David Prizmich)
- A lot of major contracts are already done through ACH. David, on the training, you're putting \$50 million into training, does that include Local 3? Are the unions getting involved in this? Currently, they are not engaged directly in the training. (Raewyn Lelo-Butcher)
 - We are about to go out with an ROP that will include training that unions are doing. That will help us be more aligned to secure more union partnerships. (David DeLuz)
- Debbie brought up traffic control training. Is there a list that can be shared with the group of RFPs, contracts, requiring first aid certs, etc. that are coming out? Caltrans would do an in-house with consultants now that doesn't happen, only in San Jose and Los Angeles, and it's limited. (Raewyn Lelo-Butcher)
 - You want a list of certs that are required based on the look ahead? Or the training? (David Prizmich)
 - Both. If it was somewhere on your website they could go quick and get connected. People are getting disqualified if they do not have training. It gives them time to get certified. (Raewyn Lelo-Butcher)
 - If it's a newer contract we put it on there. If you're not seeing it, we will make it more obvious. (David Prizmich)

FHWA Update – Michael Caliendo, Civil Rights Program Manager

- Vince Mammano is now acting director of Field Services - West. He is now overseeing 12 states along the west coast.
 - Elissa Konove is now acting for Vince Mammano until they hire a backfill.
- FHWA and OCR have been working for a year and a half to create a Workforce Development Center for contractors and DBEs for supportive services. There are currently 2 Heavy Equipment Operator training programs, with a plan to expand.
 - Looking for grant funding.
 - The Department of Commerce has a treasury grant of up to \$3 million.
- August redistribution of around \$700 million. There is a lot of money on the street.

- Regarding Debbie Hunsaker's discussion about the difficulty in training people for positions, this should be discussed further. If there are issues getting traffic controllers, that is an easy position to fill. It takes less skill than ironworkers and masons.
- Regarding the NSTI, Michael Caliendo asked for an update on the Cal State Pomona graduates from 2018. Over 20 students attended this program and 10 became engineers.
 - The success rate of this program is massive.
- Questions and Comments:
 - Lee Cunningham will take the information learned from Michael Caliendo's report back to the Humboldt County Workforce Development Board.
 - Michael came in and provided OCR with opportunities to build up the program, not just fix it. Between the HEO program and NSTI, and identifying ways to remove barriers, he's the one that helped with OCR's vision to be the best DBE program. We are not there yet but the momentum is moving in the right direction. Thank you, Elissa, Michael, and Vince for the continued support. (David DeLuz)

Action Item Log Review

- David DeLuz asked the SBC Committee Chairs/Co-Chairs if there were any questions related to the July SBC meeting action items.
 - Johnathon Hou stated that there were 2 new action items from the Local Assistance and Professional Services Committee Meeting on September 14th. The committee feels that the Local Assistance and Professional Services committees should be separated to be more efficient.
 - After the contract award, there is an inconsistency among districts. The request for action is for DPAC to come up with rules of engagement memos to provide consistency.

Office of Civil Rights Reports – Michelle Lopez-Hardie, Office Chief of Outreach, Supportive Services, and Data Analysis

- Federally Funded Contracts (August 2023)
 - Commitment at Award (CAA)
 - Current DBE goal is 22.23%, with a race-conscious (RC) goal of 18.3% and race-neutral (RN) goal of 3.9%
 - As of August 2023, Caltrans is exceeding this goal at 23.02%, which includes:
 - Office of Engineers (OE)
 - Division of Local Assistance (DLA)
 - Division of Procurement and Contracts (DPAC)
 - Design-Build (DB)
 - Contract Management General Contracting (CMGC)
 - Division of Transportation Planning (DOTP).
 - The race-conscious at award is currently 18.42%.

- Caltrans has awarded 317 FHWA-assisted contracts (OE, DPAC, DLA, DOTP contracts) in FFY 2022-23, valued at \$3,446,441,620.84.
 - Total DBE commitment at award is \$813,063,046.01 or 23.59 percent, which is exceeding the goal.
- Caltrans has awarded 4 FHWA-assisted CMGC contracts in FFY 2022-23, valued at \$347,652,328.94.
 - Total DBE commitment at award is \$60,415,210.49 or 17.38 percent.
- One more month remains of the federal fiscal year. At the November SBC meeting, Caltrans will have a final number for FY 2022-2023.
- All Federally Funded Contracts by Socially-Economically Disadvantaged (SED) groups
 - Sub-continent Asian, Native American, and non-minority women are exceeding the disparity study.
 - For A&E, Asian Pacific and sub-continent Asian have exceeded in terms of awards and the DBE goal.
 - Overall, we are trending in the right direction for federally funded contracts by SED group year-over-year.
- State-Funded Contracts (August 2023)
 - This was dropped from the agenda due to time.
- Questions and Comments:
 - Regarding CMGC, let these firms know that participation is a priority. They can increase this number. The African American number is \$350,000 out of \$60 million is inexcusable. (Dr. Matthew Ajiake)
 - Michael Caliendo stated that in the past 2 years, the CMGC numbers have increased substantially. Caltrans put in a concerted effort. There is more work to do, but the great work that has been done should be acknowledged.
 - One of the reasons Caltrans went from 2% to 17% is because our office is monitoring and engaging with the primes that are winning these contracts, to ensure that they are coming up with a DBE strategy. (David DeLuz)
 - Work together in your subgroups and help us with identifying areas in CMGC contracts where we can help other DBEs to work or bid on these contracts. Show us what we can do to examine where we missed those opportunities to increase participation. (Michael Caliendo)
 - Right now we should be talking about contracts that are coming back so that we can get ahead of it. (Jay King)
 - The Metro agenda has a section where they discuss contracting opportunities. That is a blind spot on this meeting. We could

potentially add that to our agenda as well.
(David DeLuz)

- Raewyn Lelo-Butcher suggests to Dr. Ajiake that they get together with the African American Ad Hoc group and compile a list of representatives/firms to go after the contracts.
 - David DeLuz asked the present District Small Business Liaisons (DSBL) if they meet at least quarterly to discuss contracting opportunities.
 - Aaron Morgan, DSBL from District 1 said yes.
 - Robynn Spence, DSBL from District 3 said yes.
 - Caltrans staff need to ensure the OCR office has the information on contracting opportunity sharing sessions from DSBLs to share with the SBC.
- Referring to the CMGC – the DBE goal is at 22.23% with a RC of 18.3%. The actual achieved is 17.38%. What opportunities exist to get that RC goal closer to that level? (Trinity Nguyen)
 - They have extended that to be more inclusive of SBs in CMGC contracts. They have not reported the numbers because the work has not begun. It may take time to see these numbers. (Michael Caliendo)
 - We calculate this data point because we want to establish and inform most this work using race-neutral messages as much as possible. (David DeLuz)
 - On the DBE review, one of the things we have found on RN numbers is if that contractors are not reporting them. We can improve the numbers. We can do better reporting. (Michael Caliendo)

Broadband Middle Mile Initiative Update – Janice Benton, Assistant Deputy Director of MMBI

- The regional Job Order Contract Master Agreements were advertised for each of the regions in October 2022, with the bids opened in January 2023, and the Master Agreements executed in March 2023. Since that time there have been 11 CMGC contracts.
 - One of the first work orders expected to issue will be for a 10-mile segment in Mendocino County on State Route 20 from the Junction of US 101 to the Lake County Line. There may also be a work order issued for a nearly 8-mile segment on Interstate 5 in Shasta County.
 - Looking ahead to the end of this year, there are an estimated minimum of a dozen work orders to be issued across the state.
- Questions and Comments:
 - Can you provide the list of the 15 prime contractors and 11 CMGC contractors? (Shari Tavafrashti)

- That information is available online. I will provide that to David. (Janice Benton)
- In Mendocino, is the company Teichert? I commend Michelle on the meet-and-greets in March. It has been silent with outreach on the part of the contractors. What do you suggest we do? (Lee Cunningham)
 - I would encourage you to go back to those connections you made at outreach. We will get a message to the prime to let them know to reach out. (Janice Benton)
- Are there any work packages that have been issued? (David DeLuz)
 - Not for CMGC. (Janice Benton)

District SB Update – District 3 Small Business Highlight

- Stacie Gandy, the Health, Safety, and EEO manager, shared that the video was created by DSBL Robynn Spence along with District 3 PIO and Graphics. The video highlights D3 and North Region small business events.
 - <https://www.youtube.com/watch?v=pRFj9ySOhkA>

Caltrans State Partner Reports Department of General Services (DGS) – Angela Shell

- Upcoming DGS procurement updates are posted online.
- Award Notification webpage at:
 - <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Award-Notifications?search=notice%20of%20award>
- For all upcoming solicitations, visit Cal eProcure, Quick Links, select Find Bid Opportunities
 - <https://caleprocure.ca.gov/pages/Events-BS3/event-search.aspx>
- DGS webpage [How to Do Business with the State of California](#), click on the Upcoming Contracting Opportunities blue bar, to see DGS and other departments' upcoming solicitations.
 - <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/How-to-do-business-with-the-state-of-California>
- Other contracts currently available include restroom upgrades, electric vehicle supply equipment, and maintenance and repair of elevators, escalators, and wheelchair lifts.
- There is a list of upcoming outreach events for DGS on the website. A lot of partner opportunities.
 - For all outreach events and event descriptions go to <https://www.dgs.ca.gov/PD/Events>
- DBE/SB Program Updates
 - Michael Caliendo discussed emergency contracting earlier. If your business supports emergency contracting, not just in transportation, but also across the State, DGS has an emergency registry.

- If your business provides fuel, oil, generators, or other items – not only construction services – you may apply to join this registry.
 - When Caltrans has an emergency on the highway, you need to be registered in the system so that they can contact you.
 - Buyers at DGS work 24/7. They make calls at 1 or 2 in the morning. If you are interested, you must have the resources to support off-business hour timeframes.
- Certifications
 - DGS is currently behind in certification processes. Cal eProcure is 6-8 weeks out. Generally, it should be done within 30 days.
 - If you know of an SB or DVBE, there is an expedited process. Reach out to DGS and they will put you ahead of the line for certification so you can bid on projects.
 - Pursuant to AB2019, 122 DBEs have become certified as state SBs or state DVBEs. 122 DBEs that stepped up to be certified. That puts the firm number to 21,800 certified SBs.
- Small Business/DVBE Compliance
 - 10 program abuse cases under evaluation
 - 33 compliance reviews under evaluation
- SB/DVBE Regulations Reminder
 - On June 29, 2023 regulation updates from the last few legislative sessions became effective. The regulations incorporate:
 - AB 1574
 - SB 588
 - AB 230
 - AB 1365
 - The department has the authority to set contract-specific SB participation goals in the new Section 1896.5
 - If companies do not follow regulations, there are sanctions for not doing so. The regulations allow departments to set contract-specific SB participation goals. It is a great win for the SB community.
- SB/DVBE Training
 - DGS Strategic Goal to launch an in-depth SB/DVBE Training on navigating the state bidding and contracting process by the end of 2023.
 - January 2024 is the target release date for modules.
- Statewide Advocacy Support
 - DGS is advertising 9 analyst positions.
- Economic Impact Study of the SB/DVBE Program
 - A consultant is creating an economic impact study on the SB/DVBE community and the benefit of state contracts.
 - Consultant will be sending out the survey to all SBs/DVBEs that are in the database. It's your opportunity to provide info

on how your business works with the state. Please respond to the survey.

- A message regarding the survey for the economic impact study will be forthcoming. If you have any questions, please email Demeshia.swanson@dgs.ca.gov
- Statewide Supplier Diversity Program (SSDP) Update
 - Since the launch of the supplier diversity data collection in April 2022, 7000+ bidders/vendors have voluntarily entered diversity data, of which 4200+ are certified.
 - You do not have to be certified to voluntarily identify the ownership of your business.
 - DGS would like to see the diversity of who wants to contract with the state or who has already.
- Comments and Questions:
 - Caltrans has a 25% mandatory SB1 spending goal before this new 25% was passed in December. Is the 25% for each department or just an overall state 25% goal? (Zeke Patten)
 - 25% is to see if they are meeting the goal. Every department is required to meet 25% for SBs. (Angela Shell)
 - Looking at efficiency, DBEs have to go through hoops to become a DBE. It can take up to 6 months. (Fred Jordan)
 - The Feds have different categories. Ours are set in the state of California. They are small businesses under the federal definition. It depends on the category you're certified in; in construction your gross annual receipts or cap may be different than if you were in manufacturing. (Angela Shell)

Caltrans State Partner Reports Governor's Office of Business and Economic Development (GO-Biz)

- No update, no representative present.

Caltrans State Partner Reports – High Speed Rail – Catrina Blair

- High-Speed Rail has been releasing a few procurements this year. 2 large ones were released this summer.
 - <https://hsr.ca.gov/business-opportunities/>
- It is important to attend the monthly board meetings to see trainings upcoming in 2024. Any procurement over a certain amount must go to our board for approval.
 - These are posted on Cal-e-procure.
 - If you want to be notified of potential opportunities in the future, it's important to get registered with the vendor database, Connect HSR.
- The Annual SB Diversity and Resource fair is coming up on October 25th.
 - Matchmaking opportunities with authority primes

- Workshops focused on overcoming barriers that prevent small businesses from participating, bonding, access to capital.
- CEO and the SB compliance manager will give an address
 - Save the Date:
 - <https://hsr.ca.gov/2023/08/18/small-business-diversity-and-resource-fair/>
- Comments and Questions:
 - Where is the October 25th event? (Lynn Chen)
 - DGS in Sacramento, 8:30 a.m. to 1:00 p.m. (Catrina Blair)
 - Did you speak to the DBE participation with HSR? (Fred Jordan)
 - I will be happy to share our utilization numbers with you, Fred. We just posted our numbers for August. (Catrina Blair)

Break

- Break Start: 10:45 a.m.
- Break End: 10:52 a.m.

Local Assistance/Professional Services Committee Reports - Albert Leung

- The meeting was very good. Local Assistance and Professional Services wish to separate. It is a more efficient way to have more people allotted to the Local Assistance Committee Bench program in discussion in District 11. There is a major difference between the pilot program and the prime bench. Clint Peace from D11 is coming to the November Committee meeting to discuss that program. It's still not set in stone but it's in development.
- Bundling Projects
 - Fred Jordan is going to coordinate further discussion on that bundling process.
 - There is a 6-month look ahead report. Analyse sizes and develop a strategy.
 - The focus is on how to bundle the bigger project and benefit both the SBs and the Caltrans program.
- Discussing why the bench program is necessary.
 - Ongoing discussion with Local Assistance for getting A&E involvement on Local Assistance projects.
 - Consensus that by the time the project gets awarded, a lot of designs are already done. There is a lot of opportunity for Professional Services.
 - The committee appreciates Director Mark Samuelson. We appreciate Local Assistance staff, Hau Doan, Wenyi Long.
- Comments and Questions:
 - Do we need to have the Council approve the separation of Local Assistance and Professional Services? (Eddy Lau)
 - It is a recommendation. The council can vote to accept the recommendation. There would still need to be a discussion on how to move forward. As part of the larger ad hoc conversation, we

- need to have that conversation there. I don't think the council needs to approve it. (David DeLuz)
 - We are moving forward with that idea, which is one of the main reasons that ad hoc committee was formed. I assume that the recommendation is accepted by the council. (Eddy Lau)
 - Is there any unreadiness by the council regarding that recommendation? (David DeLuz)
 - No one objected.
 - Hearing no unreadiness. I'd say you consider that recommendation accepted by the Council. That said, it still needs to be discussed. Now it's about taking action on that recommendation. (David DeLuz)
 - Lee Cunningham, Annie Aguilar, and others discuss that Local Assistance touches additional topics such as Construction and Professional Services, and Commodities.
 - Fred Jordan suggested that the Construction Committee should combine with Local Assistance.
 - Debbie Hunsaker agreed.
 - A motion was put forward and halted.
 - Eddy Lau: Amend the motion on the floor. Moving Local Assistance to Construction should be deferred and taken to the ad hoc Committee Taskforce for recommendations. Debbie Hunsaker seconded.
 - David De Luz : any additional unreadiness?
 - None.
 - Motion carried.

Commodities Committee Reports – Zeke Patten

- The Commodities Committee had a good discussion yesterday.
 - David Prizmich explained things the Committee didn't know, such as that the Division of Equipment and Maintenance are linked but they do different things.
- Zeke asked 8 people from SoCal to join the virtual session of the meeting. 2 of them attended. One guest didn't know Caltrans bought products like this. He's been in business for 12 years.
- Committee is still looking for a prime to come to our meeting.
 - An idea for the contracts going out, the committee can ask the prime, what do you use besides the items that are needed to build the freeway? What are the items?
- Comments and Questions:
 - 4% of our businesses can do business where they have employees and have capacity. Let's identify those 4% and make sure they're certified and participating while we are training our SBs and get them ready. The worst thing we can do is get them in the system and they aren't prepared

because we didn't train. Even when I'm talking to primes, I want them to look at me, and they know if it's coming from CalBCC, we want them to know that we are ready. (Jay King)

- Eddy Lau wrote a note that emphasized selling to primes and subs, rather than Caltrans. It may be a bigger pie. (Zeke Patten)

Construction Committee Reports – Debbie Hunsaker

- Debbie Hunsaker thanked Caltrans folks who were at the committee meeting despite only having 1 official construction committee member and 1 guest. It was still an excellent discussion.
- Prompt Pay and Minor B
 - AJ reported on behalf of Rebecca Llewellyn, who is in Tennessee.
 - Lindsey explained the payment process for Minor Bs and why delays might be in effect.
 - They need to identify payrolls before paying the contract within 45 days.
 - Ray Hopkins updated the committee on prompt pay and emergency contracts last meeting. Contracts such as fuel index specifications will change accordingly and down the same way. The committee applauds Caltrans for addressing this.
- Outreach
 - How can the committee increase participation?
 - Taelor Stamm suggested contacting members about a week out and to get their commitment that they will attend. Brainstorm on connecting with construction industry folks to participate in the committee. Debbie will work on that and encourages everyone to do that here in their districts.
- Safety
 - Discussed what is happening to make work zones safer. Safer for our workers, Caltrans, contractors, motoring public.
 - Discussed the possibility about longer lane closure times. Some work could probably be done in a shorter time. It's safer and cost-effective to allow lane closure to stay up longer and get the job done.
 - The committee is requesting Margie Perez attend the committee meeting next time to give us some more information as well.
- Questions and Comments:
 - The fuel index is not done yet. We do need to confirm first. We are running a short pilot. Then you'll start seeing it rolled out as a standard. (Ray Hopkins)

African American DBE Participation Ad Hoc Committee – Will McClure

- The Committee discussed more of what they have been discussing all year.
- Worked with DPAC and David Prizmich; many thanks for his assistance.
- You can see SB-owned projects on Cal-E-Procure now.

- There are also several A&E on-call contracts that are on there. Emphasize the point that you can be certified but you have to win projects. The 0.9% participation rate is how many contracts they participated in.
- The committee showed a video from USDOT that captures what the 3 modes of transportation involved in the DBE program are.
- Showed the Contractor's Corner on Caltrans to see what contracts are listed there. Also observed the bidders list, subs, prime.
- Something to look at is the Notice to Bidders, which highlights the SB and DBE goals, it highlights the number of required trainees on projects.
- Caltrans administers both federal and state projects. This info is not just for SBs but for enhancing understanding among the people on the Council and advising SBs.
- Working on developing the foundation for the business, to prepare them for the contracting opportunities.

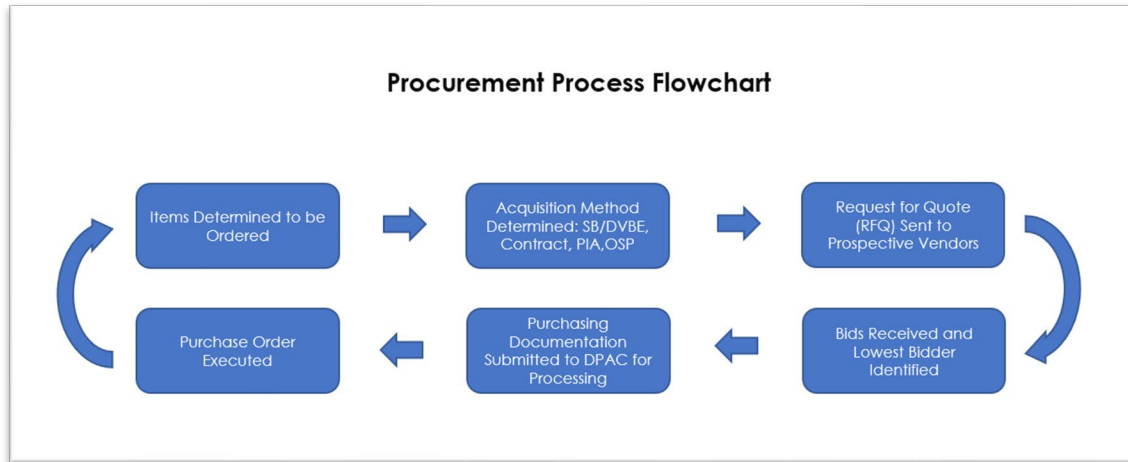
SBC Topic – Bonding and Access to Capital

- Due to the meeting running behind, this section will be moved to the November 17th SBC meeting.

HQ Maintenance Warehouse Presentation – Jamie Bradley, Office Chief of Material Management and Acquisitions at the HQ Warehouse

- The HQ Maintenance Warehouse is responsible for the procurement, storage, management, and distribution of materials and goods to 15 District Stores across California who supply goods and materials to their customers in the field.
- Consumable items do not end up in the roadway (vests, shirts, trash bags). Nonconsumables are materials to repair and replace roadway assets: Guardrails, posts, electrical wires, delineators.
- Approximately ¼ of what the warehouse carries is PPE. Half of that PPE the warehouse is mandated to procure from PIA per state statute and in that they have zero flexibility.
- 50% of the purchase orders processed are leveraged/exempt.
- How the warehouse determines what products to carry:
 - Reports:
 - Statewide material usage forecasting reports
 - Product suggestions provided by:
 - Maintenance field staff
 - District Stores
 - The Office of Health and Safety.
- Before carrying an item, it must be utilized statewide and it has to have a volume discount. Is it going to result in a better quality product? We have to look at if it is readily available and non-proprietary. We are not allowed to be brand-specific when we go to quote. Does it have a shelf life? We do not have refrigeration here. We cannot house things of that nature.

- Procurement process:
 - The HQ warehouse is held to CA state procurement rules when quoting.



- HQ Warehouse Annual Spending
 - FY 21 \$23.3M
 - FY 22 \$28.2M
 - FY 23 \$31.7M
 - FY 24 approximately the same (+ inflation costs)
 - Inflation is the reason for the increases.
- The warehouse awards to approximately 35 SBs a fiscal year. The warehouse is committed to bringing in new vendors every year.
 - In the last 3 fiscal years 1/3 of the vendors have been new.
- Comments and Questions:
 - You did a great job of telling us the process. I appreciate that you noted that 1/3 of the SBs are new. What proactive activities do you engage in to generate that 30% new SB participation? Is that occurring naturally or are you doing something unique? (David DeLuz)
 - The natural way. We are looking at Cal-E-Procure to see what new names have popped up. 30% is just who won the award. We reached out to more SBs than that. (Jamie Bradley)
 - What activities comprise the outreach? We are doing a lot of work with SB on the natural side, which is great. We are in the 40% percentile range when it comes to procurement. But we are not doing anything proactively to expand the group. For the SBs represented; what can they do to be considered for a contract? Are there other ways that they can get on your radar? There seem to be regional or district-by-district differences. How do you access the maintenance crew needs? (David DeLuz)
 - I can't speak on behalf of field maintenance purchases. For the HQ warehouse, if we are approached by a vendor, we can put them in the mix. I hear what you're saying about

being more proactive so I can take that back to my team to brainstorm and come up with more ways. We absolutely want to bring more vendors in. Any ideas we would love to hear. (Jamie Bradley)

- I just sent a list of commodities that the committee is looking for. We look via Cal eProcure. The Procurement Fair in D11 was great. Zeke's team wants to know if there are limits. What is left and where? What we came up with is a draft version of the top 50 commodities minus LPAs, PIA, and the warehouse. We understand that we can't get into some of the state-furnished materials. What I'm trying to provide is teaching DSBLs to run reports on the practical commodities that are readily available minus PIA, LPAs. We are going to provide a list that makes sense by district. Sometimes it's a regional purchase. I will work with DPAC first and then work with DSBLs to produce this list for each district. (David Prizmich)
- I've met with all 12 DSBLs about outreach efforts and historical data. We would like to see more presence from the warehouse at the procurement fairs. (Michelle Lopez-Hardie)
 - We meet monthly with the district stores so we can meet with them and ask that. (Jamie Bradley)
- Let's set up a call with Bob Myers for the committee. (David DeLuz)

New Business

- Eddy Lau, as motioned at the beginning of the meeting, brought up the issue of State partner badges and travel expenses.
 - The reason the council members were provided badges in the past is that they needed to get the Caltrans rate on the hotel. Because the reimbursement is based on \$95 in the Sacramento region. Without the badge, it is now on the council member to get that rate. Most of the members are taking a loss. It is a hardship for council members. Eddy stated that the Council was never told why the administration decided not to issue Caltrans badges.
 - The badges expired during the pandemic. The BOC stated that "the issuance of the Caltrans partner badge would be for the private benefit of non-employees, this request cannot be allowed as it would be contrary to Caltrans Security Manual procedures, and in violation of Deputy Directive 9 and Director's Policy 2 as well as Government Code section 19990. See references below." That's what the chief of our BOC, Shannon Similai, said. (Norman Tuttle)
 - The issue for renewal for Council members was for the hotel rate and the rental car. The policy had changed. The council member takes a loss every time they attend the meeting. (Eddy Lau)
 - Debbie Hunsaker stated that the badge indicated "partner" so that the identity was clear.

- The issue is with providing a discount for non-employees. (Norman Tuttle)
- It's not a benefit. You are receiving a benefit to offset the expense of your time. (David DeLuz)
- I do not expect an answer right now. I hope that we can resolve it. (Eddy Lau)
- One way is to reimburse expenses. (Johnathan Hou)
- One is more subject to interpretation than the other. (David DeLuz)
- Eddy Lau suggested a letter may work in the place of a badge.

Public Comment

- None.

Closing Remarks

- None.

Meeting Adjourned

- Meeting adjourned at 12:08 p.m.

Next Meeting

- November 16th and November 17th, 2023
 - Virtual meeting via WebEx

Council Members – Roll Call

- Annie Aguilar, American Public Works Association, San Diego Chapter
- Dr. Matthew Ajjake, San Francisco Bay Area Small Business Council
- Julian Canete, California Hispanic Chamber of Commerce
- Lynn Chen, California Chinese American Construction Professionals, Inc.
- Lee Cunningham, Women Construction Owners and Executives, CA Chapter
- Danny Garza, La Raza Roundtable de California
- Bruce Giron, National Association of Minority Contractors, NorCal Chapter
- Venessa Gleich, American Indian Chamber of Commerce of California
- Paul Guerrero, La Raza Roundtable de California
- Johnathan Hou, Asian Business Community Development
- Sarah Harris, Black Business Association
- Richard Hernandez, San Bernardino Chamber of Commerce
- Debbie Hunsaker, Fresno Chamber of Commerce
- Fred Jordan, San Francisco African American Chamber of Commerce
- Jay King, California Black Chamber of Commerce
- Eddy Lau, Asian American Architects and Engineers

- Albert Leung, Asian American Architects and Engineers, Southern California
- Rebecca Llewellyn, Women Construction Owners and Executives, USA
- Will McClure, California Black Chamber of Commerce
- Stephen McGlover, California Community Connection Corporation
- Shaila Rao Mistry, National Association of Women Business Owners, California
- Karen Nelson, California Asian Pacific Chamber of Commerce
- Trinity Nguyen, Conference of Minority Transportation Officials, NorCal
- Zeke Patten, Black Business Association
- Elizabeth Perez, Elite Service-Disabled Veteran Owned Business Network
- Deborah Robertson, California African American Chamber of Commerce
- Shari Tavafrashti, WTS International, San Francisco
- Lisa Vela, San Joaquin County Hispanic Chamber of Commerce