CALIFORNIA DEPARTMENT OF TRANSPORTATION

Statewide Small Business Council Meeting Minutes – February 15, 2008

Civil Rights
1823 14th Street
Sacramento, CA 95811
Telephone: (916) 324-6990

Statewide Council Members Present

Borroel, Diana	SACHCC	
Chaudhary, Arvin	CELSOC	
Garcia, Rodrigo	SHPE	
Golliet, Gene	SDVOB	
Guerrero, Paul	CAL - SBE	
Hou, Jonathan	ABA	
Hunsaker, Debbie	GFACC	
Johnson, Bernard	BCA	
Keller, Marty	OSBA	
LaCome, Diana	NCA	
Lau, Eddy	AAAE, SFO	
Lee, Jeffrey "Jackson"	AIAI	
Llewellyn, Rebecca	WCOE	
Molina, Jim	SJVHCC	(Alternate)
Patten, Ezekial	BBA	
Ramirez, Frank	TAG	(Alternate)
Yang, William	AAAE, So. CA	
Watts, Sabrina	AGC	(Alternate)

Caltrans Staff Present

Kempton, Will	Director, Caltrans
Fonseca, Olivia	Civil Rights
Bergmann, Peg	Civil Rights
Boulware, La Sonja	District 11
Carrington, Christine	District 11
Carroll, Patrice	DLA
Cleveland, Emma	District 1
Danco, Ann	District 5
DeWatney, Bonnie	Civil Rights
Edwards, Cathleen	Civil Rights
Effinger, Robert	Construction
Galia, Chris	DPAC
Jackson, Otis	District 7
Padilla, Robert	Civil Rights
Rettke, Megan	DPAC
Roberston, Deborah	District 7
Sartipi, Bijan	District 4
Sultan, Moshen	DPM
White, Brian	District 4
Whitmore, Liza	District 3

Guests

Bush, Will	Director, DGS
Carrera, Angel	DGS
Dryden, Richard	DVBE Alliance
Martinez, Tim	SJVHCC

WELCOME/INTRODUCTIONS/ OPENING REMARKS

Olivia Fonseca, Deputy Director, Civil Rights, California Department of Transportation (Caltrans)/Small Business Council (SBC) Chair called the meeting to order at 8:35 a.m. Chair Fonseca thanked Caltrans employees and SBC members for their attendance at the February 14, 2008, evening meeting. All SBC meeting attendees were welcomed and asked to introduce themselves.

Will Kempton, Director, Caltrans welcomed attendees and expressed encouragement with the SBC member/guest cross-section who attend and continue to attend SBC meetings; Caltrans is committed to the success of the Small Business (SB) Programs. Director Kempton welcomed Will Bush, Director, Department of General Services (DGS) as the guest speaker and also welcomed Marty Keller, Office of Small Business Advocate - Governor's Office of Planning and Research.

At the request of Marjorie Berte, Undersecretary, Business, Transportation, and Housing Agency, Director Kempton announced Sam Wallace, Small Enterprise Officer—who worked with SBC members on connections and processes—resigned from the administration for health reasons and that he will be greatly missed.

SB and Disabled Veteran Business Enterprise (DVBE) attainment as of December 31, 2007, was 11, and 1.02 percent, respectively. Disadvantaged Business Enterprise (DBE) from October 1, 2007 to December 31, 2007 was 4.4 percent. Caltrans continues to do well with procurement and Architectural and Engineering (A&E) projects as it relates to the three goals, however, Caltrans needs to improve in the Capital program projects that—in total—amount to more than $5.6 billion for contracts. Advertising is a necessity; it is important to give SB/DBE/DBVEs notice on what is happening.

Director Kempton met with the Executive Committee members to discuss among other items, prompt payment—a concern for SB/DBE/DBVEs. Director Kempton provided Councilmember Paul Guerrero with a response on prompt payment. Director Kempton was asked to consider other factors on prompt payment and he gladly said he will. When SB/DBE/DBVEs have a problem of this nature, the Caltrans ombudsman in the applicable district should be notified—without delay—and work to resolve the issue in a timely manner.

Procurement Hearing

Chair Fonseca invited everyone to attend the Assembly Select Committee on Procurement hearing, with Chairman Curren Price, Thursday, February 28, 2008, 11:00 a.m. to 1:00 p.m., at the State Capitol, Room 127.

ITEM 1 – DGS Presentation, Will Bush, Director

Director Bush thanked Director Kempton, Chair Fonseca, and Marty Keller for the invitation to address the SBC. Director Bush thanked all in attendance—those locally and those who traveled distances to attend the SBC meeting—as the number in attendance was admirable.

Assembly Bill (AB) 761

Angel Carrera, Business Development Program Manager, DGS was introduced as the point person on AB 761 implementation to work with the State departments, as recipients of the infrastructure bond program. Mr. Carrera will help insure the mission of AB 761 is fulfilled and that underrepresented small—and emerging—business are served in all DGS contracting.

Executive Order (EO) S-02-06

With support from Secretary Rosario Marin, State and Consumer Services Agency and DGS put in place a comprehensive strategy—in alignment with Governor Schwarzenegger's EO S-02-06—to reach out to SB/DVBE communities, increase certified firms, and work with agencies/departments to increase participation rates.

By the end of October 2007, DGS increased the number of certified SB/DVBE firms to more than 15,000, almost a 20 percent increase over the previous 12 months; many outreach efforts were in conjunction with Caltrans. Businesses can now go to www.getcertified.dgs.ca.gov—24 hours a day, 7 days a week—and get certified in less than 25 minutes.

Statewide SB participation was 28.31 percent, which exceeded the State SB participation goal. 2.88 percent of the 3 percent DVBE goal was achieved. DGS participated in 137 outreach events and 6 collaboration conferences, with a total of more than 13,000 in attendance. Increased presence and efforts helped the State exceed the 25 percent goal for fiscal year 2006-07.

Strategic Sourcing Initiative Update (Brief)

DGS saved the State more than $170 million by leveraging strategic sourcing across 10 product categories and more than 30 statewide contracts, ranging from personal computer (PC) hardware, copiers, to office supplies, and wireless phones and services. At this time, DGS is in the process of going out to bid for PC hardware—desktops, laptops, monitors, printers—and PC servers. DGS continues to process improvements to incorporate more SB/DVBEs into the contract mix and to continue holding special partnering workshops during the bid process to pair up large bidders with potential SB partners in an effort to successfully ensure SB/DVBE.

Open Floor

Councilmembers voiced a concern that the process of doing business with the State has been difficult and there are still a lot of certified businesses that are not being used. Marketing the success of the Program could be used to a greater extent of increasing SBs to bid. Director Bush invited councilmembers to come assist DGS market the on-line SB/DVBE certification and provide recommendations for improvement. A suggestion was made that DGS might consider a consultant to teach SBs how to do business with the State, such as the consultant that assists Sacramento Municipal Utility District, with direct contact methods. Director Bush indicated he would consider how DGS could provide SBs with one-on-one assistance.

Infrastructure Bond Funds

Caltrans is setting an example for all departments with Infrastructure Bond projects, in terms of identifying which projects are funded by Infrastructure Bond funds. Caltrans has developed special contract language for Infrastructure Bond projects, citing the goal of 25 percent SB and 3 percent DVBE participation. Caltrans included a provision in the solicitation documents for SBs to obtain technical assistance/supportive services, advertised and will continue to advertise all upcoming Infrastructure Bond projects, and implemented tracking SB participation on projects.

Procurement Fairs
DGS is aware of the successful efforts Caltrans has made in advancing Procurement Fairs and is interested in finding/exploring more opportunities to partner. DGS is open to the idea of working with Caltrans and other State departments to hold procurement fairs and is currently in discussions to work out details on this matter.

Microbusiness Implementation
By statute in 2001, the microbusiness definition was added to the SB Procurement and Contract Act, requiring DGS to report microbusiness statistics separately from all departments. This statute does not create separate preferences or special outreach requirements for microbusinesses. Departments are required to track and report microbusiness statistics; DGS is not required, but does track as it makes its own purchases. In FY 2006-2007, State departments reported $1.15 million was awarded to microbusiness vendors.

Open Floor
Councilmembers suggested DGS meet with appropriate entities and councilmembers to find a successful solution that will seek out qualified microbusinesses to do business with the State and bring it to fruition. Director Bush agreed to meet to discuss further, how DGS can increase microbusiness participation. Councilmembers made mention that 80-90 percent of the architect and engineers are within the definition of microbusiness.

Separate Contracts for Oil and Lubricants
Currently, contracts for oil and lubricants are and can be separate contracts; State departments have been buying their needs via authorized purchasing delegation. At one time the Procurement Division maintained this contract, but due to the pricing instability for these goods, DGS has not been successful in keeping a supplier interested in maintaining a contract with the State. Councilmember Patten commented favorably on the results of his meeting with DGS staff on the subject. He indicated a follow-up meeting will be held. He provided recommendations to Mr. Carrera on categorizing future oil and lubricant contracts.

SB/DVBE Option Cap
Director Bush and Marty Keller are working on a legislative initiative to raise the SB/DVBE contract option—from the current $100,000 ($131,000 for public works) to $250,000. This is a highly popular contracting method used by most State entities and will be an effective tool for increasing SB/DVBE participation and will also reduce the time and administrative burden associated with the contracting process. Update - refer to Assembly Bill 2773 – author Curren Price.

ITEM 2 – January 18, 2008, Meeting Minute Approval

The January 18, 2008, meeting minutes will be provided at the March SBC meeting.

ITEM 3 – District Updates

District 4, Bijan Sartipi, District Director and Brian White
Contracts made available to SBs: 56 percent emergency contract force, which totaled $10.8 million; 70 percent direct bid contracts, which totaled $1.1 million; and 61 percent large informal emergency. At the 5th Avenue pre-bid 12 primes and 20 subs attended and networked. The $132 million 5th Avenue pre-bid held February 14, 2008, in Alameda; 12 primes and 20 subs attended and networked. National Association of Women in Construction (NAWIC) Conference was advertised over the Inter/intranet to reach as many SBs as possible; scheduled Tuesday, February 19, 2008.

A request was made for a SB/DVBE participation update on the San Francisco-Oakland Bay Bridge East Span Seismic Safety Project. District 4 Director Sartipi provided a general update and will provide the project program management data at the next meeting in March.

District 7, Deborah Robertson (for Doug Failing, District 7 Director) and Otis Jackson
Emergency work contracts awarded to SBs totaled 18 percent. An e-blast was sent to certified SBs announcing the last pre-bid, limited inquiries were obtained on a bid estimate of $1.6 million; 25 SBs attended. The tentative date for next Procurement Fair is April 2, 2008.

District 11, Christine Carrington
Introduced La Sonja Boulware, the new Business Manager for D11 Business Services unit; not only will she be the manager over SB, but also supervisor for other functions. Also announced the appointment of Cherri Shur, SB Database person. Handed out flyers for:

- Procurement Fair to be held on Wednesday, March 26, 2008, at Balboa Park.
- Calmentor Fair, Friday, April 4 - D11 office.

As a result of the October fires, 35.54 percent of business went to SB primes; this was $5.2 million out of $14.7 million. These figures do not include work provided by any SB subs. A Certification workshop was held on Wednesday, February 13, 2008, there were 18 participants. One half of the participants were walk-ins. Most of those who registered did not attend; a query will be implemented to find out the reasons for non-attendance.

District 3/Civil Rights, Chair Fonseca
The inaugural District 3/Civil Rights Procurement Fair was held Tuesday, January 22, 2008. The event was set up where vendors could visit Caltrans buyers for procurement of goods and/or services. There were 127 attendees. Although businesses weren't prepared for this venue style, the message got out that Caltrans is serious about purchasing. Businesses came away with an excitement of the possibilities for future procurement opportunities. District SB Liaison (DSBL) training was held February 13-14, 2008; all DSBLs were introduced.

Caltrans is proposing legislation to increase the current $5,000 payment bond requirement.

A request was made to have the schedule for the statewide SBC meetings and District SBC meetings emailed to SBC councilmembers, as well as placed on the Website.

ITEM 4 – Statewide Committee Reports

Committees met the night before and discussed 2007-08 Action Items; refer to the Committee Action Item listing handout for the updates.

ITEM 5 – Public Comment/Good of the Order

1. Keep the Promise - DVBE Expo
   April 15-16, 2008
   Hyatt Hotel, Irvine
   www.ktpexpo.org

2. District 11 - Networking Fair – A&E Related Services
   April 4, 2008
   www.dot.ca.gov/dist11/small_business.htm

3. District 11 - Business Procurement Fair
   March 26, 2008
   www.dot.ca.bog/dist11/small_business/profair.htm

4. 2008 Southern California Minority Small Business Resource Day
   April 23, 2008
   Hilton Los Angeles Airport, 5711 W. Century Boulevard, LA
   www.blackchamberlac.com

5. 36th Annual Sacramento Hispanic Chamber of Commerce
   Awards and Business Recognition
   February 23, 2008
   Sacramento Convention Center
   www.sachcc.org

Adjournment: 11:25 a.m.

Next meeting: Friday, March 21, 2008
1823 14th Street
Sacramento, CA

Approved by:

Olivia Fonseca

OLIVIA FONSECA
Deputy Director, Civil Rights
California Department of Transportation