



**Statewide Small Business Council Meeting Minutes –
October 17, 2008**

Department of General Services
Ziggurat Building
708 Third Street
West Sacramento, CA
Telephone: (916) 324-0449

Statewide Council Members Present

Borroel, Diana	SACHCC
Carrera, Angel	DGS
Chaudhary, Arvin	CELSOC
Chavez, Chris	LBA
Diaz, Juan	MABPA
Garcia, Rodrigo	SHPE
Golliet, Gene	SDVOB
Guerrero, Paul	CAL-SBE
Hassoun, Sam	GLA
Hou, Johnathan	ABA
Hunsaker, Debbie	GFACC
James, John	NAMCSC (Alternate)
Johnson, Bernard	BCA
Keller, Marty	OSBA
Lau, Eddy	AAAE, SFO
Llewellyn, Rebecca	WCOE
McGlover, Stephan	CCCC
Molina, Jim	SJCHCC (Alternate)
Perez, Roy	CHCC
Ramirez, Frank	CHCC
Yang, William	AAAE, Southern CA

Padilla, Robert	Civil Rights
Pokrajac, Kevin	Local Assistance
Quon, Cindy	District 12
Schimpf, Brenda	District 11
Smelser, Jan	DPAC
Solano, Augusta	District 4

Guests

Bush, Will	Director, DGS
Butler, Jim	DGS
Cunningham, Lee	Bay Tank
Morales, Sgt. Major Daniel	
Murphy, Gillian	CCCP/SBDC
Snyder, Russ	AGC/CalAPA
Yung, Doug	YEI

Caltrans Staff Present

Iwasaki, Randell	Chief Deputy Director, Caltrans
Fonseca, Olivia	Civil Rights
Ajise, Kome	District 10
Crosby, George	District 4
DeWatney, Bonnie	Civil Rights
Dunning, Julie	District 10
Effinger, Robert	Construction
Failing, Doug	District 7
Frank, Angela	Civil Rights
Harris, Adriana	District 4
Jackson, Otis	District 7
Lashai, Parviz	DPM
Nesbitt, Osayahde	District 4

AGENDA ITEM 1 – Welcome/Introduction/Opening Remarks

Olivia Fonseca, Small Business Council (SBC) Chair called the meeting to order; welcomed the Statewide Small Business councilmembers, Caltrans staff, and guests and asked each to introduce themselves. Chair Fonseca recognized Department of General Services (DGS) Director Will Bush and thanked him for hosting the meeting in conjunction with the Procurement Pavilion. Chair Fonseca also acknowledged special guest; Sergeant Major Daniel Morales, and thanked him for his service to the United States.

Director Bush welcomed all attendees to DGS, thanked Caltrans for their support and efforts in the day's Procurement Pavilion. The day's activities included workshops, networking with 30 State and local government agencies and resource assistance. Director Bush congratulated the SBC members for 25 years of service to Caltrans. Director Bush extended an invitation to the Caltrans SBC members to attend the DGS SBC meeting, December 3, 2008. Jim Butler, Deputy Director, Procurement Division, DGS, also welcomed attendees and extended his best wishes for a successful Procurement Fair. Chair Fonseca thanked Director Bush and Mr. Butler for hosting the Caltrans SBC meeting and equally supporting the Procurement Pavilion.

Sergeant Major Morales, who is currently on active duty, discussed his retirement plans to form a disabled veteran business group in California. He indicated California has the largest population of disabled veterans in the nation, and restated his commitment to this very critical community.

Chair Fonseca thanked Sergeant Major Morales for his dedication in protecting the citizens of the United States. She mentioned she is pursuing a Caltrans initiative designed to provide an internship to disabled veterans discharged or retired from a service duty. Director Will Kempton and Chief Deputy Randy Iwasaki support the initiative.

Chief Deputy Director Iwasaki thanked Director Bush and Jim Butler, respectively, and announced Director Will Kempton is in Connecticut attending the annual National American Association of State Highway and Transportation Officials conference. Caltrans is experiencing an increase in construction contract bids with an average of eight bids per contract. The increase in bidders provides greater competitive bids and it indicates general contractors are moving away from private work into public works. Caltrans has yet to receive approval from Federal Highway Administration (FHWA) on the proposed Disadvantaged Business Enterprise (DBE) Program Goal and Methodology; however, United States Department of Transportation has approved the waiver to apply race conscious goals to limited groups. The DBE Program remains race-neutral and will continue until Caltrans receives such FHWA approval to operate differently. Any changes to the administration of the DBE Program by Caltrans will be announced statewide. When implementing any changes to the related DBE Program, Director Kempton emphasizes that it is important to "do it once and do it right." Caltrans recently received verbal approval from FHWA to use surplus Century Freeway dollars for a Surety Bonding Assistance Program. The program will provide surety bonding assistance to DBEs interested in two particularly large projects in Los Angeles County. Caltrans hosted a Diversity and Disability Awareness Day. The event was hosted statewide- throughout the week, and Director Kempton attended several events. District 12 Director, Cindy Quon shared how five of her employees, on their own, learned the "Lion Dance" and presented the dance to Director Kempton.

A discussion ensued on the DBE Anticipated Participation Level on the I-405 Metropolitan Transportation Authority (MTA) project in District 7 (Los Angeles). During the September 19, 2008, SBC meeting, MTA committed to host a small business outreach event in October with the two potential prime contractors. Additionally, Councilmember Guerrero asked if MTA had addressed his questions on how MTA was going to comply with 49 Code of Federal Regulation Part 26, Section 26.51.

Motion by Councilmember Lau requests Director Kempton to clarify what is Caltrans role on the delivery of the I-405 MTA project. How Caltrans intends to ensure MTA implement the recommendations made to improve DBE participation during the September 19, 2008, SBC meeting. The SBC requests a response or meeting in two weeks. Seconded by Councilmember Guerrero.
Motion passed.

ACTION ITEM: Councilmember Lau requested a copy of MTA's DBE attainment for federal fiscal years 2007 and 2008.

Chair Fonseca referred back to the September minutes, whereupon the SBC members provided MTA with several suggestions for DBE outreach and involvement on the I-405 project.

Chair Fonseca gave recognition to Councilmember Rodrigo Garcia for receiving an award from the US Department of Transportation on October 14, 2008, in Washington D.C. He was presented the President's Voluntary Community Service Award.

AGENDA ITEM 2 – Approval of August 15, 2008, and September 19, 2008, Meeting Minutes

August 15, 2008 Meeting Minutes

Motion: Councilmember Guerrero

Second: Councilmember Yang

Discussion: Councilmember Llewellyn requested amending Item 6 – Insurance Presentation to include why small businesses did not advocate for Assembly Bill (AB) 3042 - Duvall– Payment Bonds.

Motion tabled pending amendment.

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Motion tabled pending the attachment of Committee action item listing and inclusion of additional recommendations made to MTA. Each Committee chair was asked to forward their Committee Action Item listing to Bonnie DeWatney.

District/Governor's Office/Civil Rights Updates

District 4 (Oakland) – George Crosby, District 4 Small Business Liaison

District 4 will host a Procurement Fair on November 4, 2008, with the Port of Oakland. The event is at the Jack London Square Aquatic Center.

District 7 (Los Angeles) – Doug Failing, District 7 Director and Otis Jackson

District 7 is coordinating a Procurement Fair with the Los Angeles Urban League. The fair will be held in the Crenshaw area and is targeted for November 19, 2008. District 7 Director Failing will seek a way to measure if small businesses continue to do business with the district after the Procurement Fair.

District 10 (Stockton) – Kome Ajise, District 10 Director

The A&E "Strengthening Partnerships" Networking Fair will be held on October 28, 2008, in Clovis, CA.

District 10 will host a Procurement Fair on November 19, 2008.

District 11 (San Diego) – Brenda Schimpf, Acting Deputy District 11 Director of Administration

On October 29, 2008, the district is co-hosting the Annual CalMentor Recognition and Award event. On November 1 and 6, District 11 will hold Mock Contract training for interested contractors. The training is a result of the SBC members request to enhance small business participation in District 11.

District 12 – Cindy Quon, District 12 Director

District 12 plans to hold a Procurement Fair in February 2009.

Marty Keller, Governor's Office of the Small Business Advocate

Mr Keller is currently focusing on Governor's Conference on Small Business and Entrepreneurship in Los Angeles on November 18 and 19, 2008. The Governor's Conference will gather California's most inspired and innovative entrepreneurs and small business leaders to create a forum for ideas, inspiration and practical solutions that will drive the entrepreneurial economy forward. Some outcomes of the conference are to accelerate information sharing, incubate new ideas and contribute new policy proposals for boosting the state's economic success. Onsite, diverse groups will caucus to finalize recommendations for the state's policy leaders on topics including AB 32, energy, access to capital, entrepreneurial encouragement, healthcare innovation, procurement, regulatory reform, taxation, transportation, SBC Minutes – October 17, 2008

workforce development and education. Small businesses will have an opportunity to provide their ideas to the Governor.

Councilmembers provided several recommendations:

- Councilmember Guerrero suggested greater prevailing wage enforcement. Councilmember Guerrero will provide the statutory references to enforce prevailing wage on public works contracts.
- Councilmembers Garcia and Ramirez suggested State agencies reduce the size and duration of professional services contracts.
- Councilmembers Llewellyn and Perez addressed the enormous burden AB 32 (greening California) has on small businesses. Small businesses need to voice their concerns on AB 32 and its impact to their business or industry.
- Councilmember Ramirez suggested supporting and expanding the Mentor Protégé programs.
- Councilmembers Lau and Guerrero suggested expanding the DGS Small Business Council objectives to include professional services and construction contracting. The current focus is commodities.

AGENDA ITEM 3 – Statewide Committee Reports

Committees met the night before and discussed the 2008 Action Items. Refer to the Committee Action Item listing handout for the updates.

Commodities – Councilmember McGlover, Chair

The committee did not meet, however, their year long activities to expand the Procurement Fair to DGS was realized this day. DGS was hosting a Procurement Pavilion.

Construction – Councilmember Llewellyn, Chair

- Senate Bill 593 takes effect January 1, 2009. This bill removes the withholding of retention on construction.
- Proposition 42 funds was spared in the recent budget cuts.
- Caltrans is looking into updating its existing bulk fuel and asphalt cost index.
- Office Engineer website has a new feature to “Opt-In” as a small businesses on the planholders listing.
- Equipment rental rates will be reviewed and updated more often.
- Positive feedback has been received for District 11’s small business outreach.
- The committee is working to close out all action items by the end of the year.
- New action item, requesting a separate line item for insurance costs on Minor B and maintenance contracts.

Executive – Chair Fonseca

Chair Fonseca explained, regretfully Director Kempton’s meeting schedule has prevented him from attending the Executive Committee meetings in the recent past. However, Director Kempton is committed to attend the Executive Committee meeting on November 21, 2008. The Executive Committee meeting will be extended an additional 30 minutes to allow the Committee Chairs to have face time with Director Kempton. Therefore, the November SBC meeting will begin at 9a.m.

Legislative – Councilmember Guerrero, Chair

A meeting was not held.

Local Agencies – Councilmember Guerrero, Chair

- Recommend removing the word “may” in the DBE- Local Assistance Procedures Manual.
- Requesting information on who to identify if FHWA funds are being used on a local agency contract.
- Local agencies need additional directives on how to implement and enforce Environmental Justice.
- Requesting a listing of all local agencies who are subrecipients of FHWA funds.

Professional – Councilmember Lau, Chair

- 17 people attended the Committee meeting.

- New action item is to see how a non-Caltrans individual can be appointed to the professional services contract selection panel
- Request DGS - Angel Carrera is assisting in finding a solution to allow a private citizen to be appointed to a contract evaluation selection panel.
- New action item is to ensure the MTA I-405 project has small business, including DBE participation at the onset of the project.
- District 12 Director, Cindy Quon will facilitate a meeting with Orange County Transportation Authority (OCTA) and members of the SBC on the topic of OCTA's professional services contract selection process.
- Thanks were expressed to Cindy Quon for attending the Committee meeting. Many members were extremely pleased to make the acquaintance.

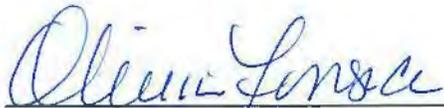
AGENDA ITEM 4 – Public Comment/Good of the Order

No comments.

Meeting adjourned: 10:20 a.m.

Next meeting: Friday, November 21, 2008
9:00 a.m. – 11:30 a.m.
Civil Rights Building
1823 14th Street, Room 207
Sacramento, CA 95811

Approved by:



OLIVIA FONSECA
Deputy Director, Office of Civil Rights
California Department of Transportation