

**Caltrans Statewide Small Business Council – Meeting Record**  
 District 6 Manchester Office – 2015 East Shields Ave., Fresno, CA 93726  
 March 21, 2014, 8:30 a.m. to 12:00 p.m.

Action/Task	Who is responsible/ presented	By when	Status
<b>A. Meeting called to order at 8:38 a.m.</b>	René Halverson, Assistant Director, OBEO and Council Chair		
<b>B. Action Items to Date</b>	René Halverson		
<b>Action Item from the September 2013 meeting:</b>			
<b>ACTION ITEM #3:</b> Chair Shell (Acting) to take the language on insurance requirements presented by Ms. Llewellyn to Caltrans Legal and OE for review and feedback.	Chair Shell (Acting)	5-16-14	<b>ASSIGNED</b> – 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.
<b>Action item from the March 2014 meeting:</b>			
<b>ACTION ITEM #1:</b> I-405 utilization information requested.	Ramon Carlos	5-16-14	<b>ASSIGNED</b> – Update on information gathered to be provided at the May SBC meeting.
<b>A. Agenda review and remarks – Chair Halverson</b>			
<b>B. Action Item review – Chair Halverson [refer to the log of Action Items as of September 2013 for details.]</b>			
<ol style="list-style-type: none"> <li>1. DBE utilization year-to-date is at 11.9%, which has not decreased; encouraging.</li> <li>2. DPAC statistics – through the December quarterly report                         <ol style="list-style-type: none"> <li>a. SB, just under 20%</li> <li>b. DVBE, 2.4%</li> <li>c. Services, a little over 14%</li> <li>d. Bulk purchase procurements – SB, a little under 38%; DVBE, 2.8%</li> <li>e. These figures are expected to increase in the last quarter of the state fiscal year.</li> </ol> </li> <li>3. DBE Supportive Services contract                         <ol style="list-style-type: none"> <li>a. RFP to be released by the first week in April.</li> <li>b. Increased focus on small firms, developing business plans.</li> <li>c. One statewide contract with an option to renew for an additional 12 months.</li> </ol> </li> <li>4. DGS representation at committee and council meetings – Angel Carrera will resume attending in May, and be involved with providing a representative to serve in the future. Mr. Carrera will also be participating as a member of the council strategic planning task group.</li> <li>5. Call for workshops – members should contact Ramon Carlos or Michele Hoffman of OBEO to provide workshops at the various outreach events planned for the SB community throughout the year.</li> </ol>			
<b>C. Highlights from the Director’s Office – Malcolm Dougherty, Director</b>			
<ol style="list-style-type: none"> <li>1. Caltrans new vision and mission statements – more descriptive of what Caltrans does as an organization and integrates all the services it provides to Californians. Vision statement says what kind of department Caltrans is, what Caltrans strives to be to the people of California. Caltrans plans to disseminate the new</li> </ol>			

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<p>statements more broadly.</p> <ol style="list-style-type: none"> <li>2. Mile Marker – Caltrans performance metrics now provided in a user-friendly format that is described as “performance journalism.” The publication is available online at the Caltrans web site.</li> <li>3. Road user charge – Norma Ortega, Chief Financial Officer, will be the Project Manager for the pilot program, which had been mentioned during the January SBC meeting. Charges are based on the use of the transportation system as opposed to the consumption of fuel.</li> <li>4. Drought – Caltrans has examined its water usage throughout the state; intends to decrease water use by 50%.</li> <li>5. Mr. Dougherty provided updates on various projects, including the Gerald Desmond Bridge.</li> <li>6. State Transportation Improvement Program (STIP) discussed and adopted.</li> <li>7. Bonding around and joint checks – topics are being addressed by the DBE Participation Committee.</li> </ol> <p><b>Personnel changes:</b></p> <ol style="list-style-type: none"> <li>1. Rick Land is retiring after 36 years, all with Caltrans.</li> <li>2. Carrie Bowen has been appointed District 7 Director.</li> <li>3. Ray Zhang is the new Chief of Local Assistance.</li> <li>4. René Halverson, Assistant Director for OBEO, is retiring after 35.5 years, 21 of those years with Caltrans.</li> </ol> <p><b>Discussion:</b></p> <ol style="list-style-type: none"> <li>1. Hot lanes (AKA managed lanes per Mr. Dougherty) – currently, there is no consistent statewide policy to regulate use of these lanes; they are now updating the draft policy to address this; should be viewed as a mobility tool; Mr. Dougherty has met with officials in five major metropolitan areas throughout the state and intends to use their ideas. Approaches include a toll for single occupancy vehicles to drive in these lanes and a dynamic pricing structure. Fees accrued could cover the initial related construction costs to develop the infrastructure, however, who controls revenues raised beyond reimbursement of costs still needs to be resolved. Maintenance must be included as an operating cost. Council members pointed out the inconsistencies in how these lanes have been managed.</li> </ol>			
<p><b>D. District 6 Report</b> – Gloria Samaniego, Acting Deputy District Director, Administration</p> <ol style="list-style-type: none"> <li>1. Major construction projects – 23 projects at \$60+ million; of this, 20 met or exceeded the DBE goal; total DBE utilization for 23 contracts was 9.64%.</li> <li>2. Minor B contracts – 40 contracts at \$4,201,765; 23 of these were SB totaling \$4,484,228 with 59.36% SB participation; 3 DVBE contracts totaling \$222,051, 5.28%.</li> <li>3. Service contracts/CalCard purchases/Purchase Orders for the period October to December, 2013 (does not include major construction projects) – total of \$9,209,851; SB total, \$5,585,043 at 60.6% SB participation; DVBE total, \$311,627 at 3.4% DVBE participation.</li> <li>4. SB office – very busy, several outreach events scheduled throughout the year.</li> <li>5. Calmentor workshop and mixer scheduled for 4/22/14.</li> <li>6. Resource and Matchmaking event – partnering with SCORE; opportunity for SB owners to network with various large business buyers, financial lending institutions, and bonding companies.</li> <li>7. State Route 180 ribbon cutting ceremony, 3/28/14 – will provide a birdseye view of the project to OBEO to forward to members.</li> </ol>			
<p><b>E. District 4 Report</b> – Bijan Sartipi, District 4 Director</p> <ol style="list-style-type: none"> <li>1. Construction contracts – as of March 2014             <ol style="list-style-type: none"> <li>a. 122 active contracts valued at \$4.2 billion; includes the demolition of the old Bay Bridge; this value will drop substantially after acceptance of the SAS contract later in the year.</li> <li>b. 8 contracts being advertised valued at \$163 million.</li> </ol> </li> </ol>			

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<ul style="list-style-type: none"> <li>c. 9 contracts with bids opened and awaiting award valued at \$100 million.</li> <li>d. 4 projects valued at \$23 million awarded since February 13, 2014.</li> <li>e. 4 contracts valued at \$16 million ready for submission to the California Transportation Commission for allocation prior to being advertised.</li> </ul> <p>2. Directors Orders</p> <ul style="list-style-type: none"> <li>a. 7 valued at \$16.8 million, 9% awarded to SBEs.</li> <li>b. 7 valued at \$1.7 million, 42% awarded to SBEs in District 4.</li> </ul> <p>3. Minor B projects – 8 are being delivered utilizing the Small Business Process.</p> <p>4. Non-Minor B – 3 projects with estimated value of less than \$270,000 each, using the Small Business Process to fund.</p> <p>5. A&amp;E contracts</p> <ul style="list-style-type: none"> <li>a. 37 active contracts valued at \$118 million of which \$19.3% is paid out to non-UDBEs, 6.5% to UDBEs, and 25.4% to DBEs.</li> <li>b. 11 non-federal contracts valued at \$157 million with a payout thus far of 4.2% to DVBEs, 19% to SBEs.</li> </ul> <p>6. Calmentor and Mentor Protégé programs are doing well; as testimony to the programs’ effectiveness, a program participant was awarded a Bay Bridge contract.</p> <p>7. The district SB report is in the process of being finalized; will be available on the district’s web site in a month or so. Mr. Sartipi will also bring some copies to the May SBC meeting.</p> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>1. High Speed Rail – the realignment of Hwy 99 to prepare for HSR represents two miles of work with a 30% goal; designed by Caltrans; construction by Granite; 30% goal is an aggregate for SB, DBE, and DVBE. This will provide opportunities for contractors and the work force.</li> <li>2. Chair Halverson pointed out members can access information on major construction contracts awarded online on the OBEO web page; includes DBE firms contracted, as well.</li> </ul>			
<p><b>F. FHWA Update – Lance Yokota</b></p> <ul style="list-style-type: none"> <li>1. Highway Trust Fund – as mentioned in January, the fund is decreasing, and has the President’s attention.</li> <li>2. According to the latest information, the final rule for 49 CFR Part 26 should be out by this summer.</li> </ul>			
<p><b>G. Meeting Record approval</b></p> <ul style="list-style-type: none"> <li>1. No changes.</li> <li>2. Motion to approve the meeting record for the month of January, 2014, Council Member Stephen McGlover; second, Council Member Rebecca Llewellyn.</li> <li>3. The ayes have it; the meeting record for the month of January, 2014 is approved.</li> </ul>			
<p><b>H. Strategic Planning discussion</b> [refer to draft summary of the strategic planning session from the January SBC meeting.]</p> <ul style="list-style-type: none"> <li>1. Formation of small task group – to include one representative from each standing committee, representatives from Caltrans, FHWA, and DGS.</li> <li>2. Performance measures – intent is to make council meetings as productive as possible.</li> <li>3. Next steps – as discussed with the standing committee chairs, each chair can choose to represent their respective committee or can send a committee representative.</li> <li>4. Noted the summary is a working draft, revisable as needed.</li> </ul> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>1. Mr. Dougherty emphasized the need to make the small task group as effective as possible in consideration of the time commitment required from all involved. He</li> </ul>			

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<p>also spoke of performance measures and what the council as a body wants to track. In regards to the Operating Guidelines, modifications should be discussed and made as appropriate.</p> <ol style="list-style-type: none"> <li>2. Pointed out by Chair Halverson the council is a statewide body, and as such, there is a delineation between its role and that of the district SBCs.</li> <li>3. The small task group’s progress will be shared with the council at each regular council meeting.</li> <li>4. The small task group will be assessing each standing committee, its relevance to the purpose of the council, membership, and guidelines for operation.</li> <li>5. This should be viewed as an opportunity to change and improve.</li> <li>6. Chair Halverson welcomed nominations to the small task group within the next two weeks; there will be follow-up with the council after the group members have been selected.</li> </ol>			
<p><b>I. DBE Participation Committee – Chair Halverson [refer to summary of the DBE Participation Committee]</b></p> <ol style="list-style-type: none"> <li>1. As of April, 2014, the committee welcomed new members:                     <ol style="list-style-type: none"> <li>a. Adam Chavez, Chavez Trucking</li> <li>b. Bob Purdy, RGW Construction</li> <li>c. Tom Smith, Ghilotti Construction</li> <li>d. Rebecca Manning, Kiewit</li> </ol> </li> </ol> <p><b>December meeting highlights</b></p> <ol style="list-style-type: none"> <li>1. Post-Construction issues (Task Group B)                     <ol style="list-style-type: none"> <li>a. Acknowledging primes who regularly use DBE firms – Ramon Carlos’ team has developed a report the task group will use to evaluate this.</li> <li>b. Tracking actual utilization of DBE firms at closing in an annual report.</li> <li>c. Use of joint checks – still evaluating.</li> <li>d. Changes in insurance language as initially proposed by Council Member Rebecca Llewellyn – although there was a recommendation by Victor Salazar not to change the language, Ms. Llewellyn, who is also a committee member, did not feel the matter was resolved. Consequently, the committee will continue to work on this issue.</li> <li>e. Bonding around stop notices – ongoing discussion from all sides continues.</li> </ol> </li> <li>2. Pre-Construction issues (Task Group C)                     <ol style="list-style-type: none"> <li>a. DBE certification application process – this is a prescribed procedure, so the task group changed its focus to increasing education and awareness to help SBs understand how to become DBE certified. Average turnaround time is now 55 days (federal regulations state a 90-day maximum), which is an improvement. CUCP database challenges are being dealt with by the Certification unit, which has actively engaged IT to fix the database with the ultimate intent to replace it.</li> <li>b. Identifying performance measures - how to track and improve the success of outreach efforts.</li> <li>c. Questions raised:                             <ol style="list-style-type: none"> <li>01. OCIP – status and results of the pilot program.</li> <li>02. Design/Build program – status and results of the pilot program.</li> <li>03. Sponsor of the committee – Rick Land’s successor will continue to sponsor the committee.</li> </ol> </li> </ol> </li> </ol>			
<p><b>J. Ad Hoc Committee Report – African American DBE Participation – Eddy Lau, Committee Chair</b></p> <ol style="list-style-type: none"> <li>1. The committee will meet in the same conference room after the council meets; meeting is scheduled from 1:00 p.m. to 3:00 p.m.</li> </ol>			

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2. Determining whether District 4’s method of structuring a contract would be a good model to use.			
<b>K. Committee Meeting Reports</b>			
<p><b>1. Local Assistance</b> – Richard Hernandez, Chair                      Four members attended; encourage members in construction to join the committee to broaden representation at the table.  <b>Annual Plan</b> – developed during this meeting                      Outstanding issues:</p> <ul style="list-style-type: none"> <li>a. Fostering a SB plan – goal is to support unbundling; need to update and promote the plan.</li> <li>b. DBE Chapter 9 revision – fostering SB plan should be included in the revision.</li> <li>c. Reporting still lacking on certain projects.</li> </ul> <p>New issues:</p> <ul style="list-style-type: none"> <li>a. RFP for bridges – if federal money is involved, there needs to be goals.</li> <li>b. Work codes – licensed firms doing work they don’t have work codes to do.</li> </ul> <p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>a. Ms. Llewellyn noted local agencies report every two months in District 11, which was the result of the council’s work. Council Member Bill Ulmer will send the report to Mr. Hernandez.</li> <li>b. Re: 1B bonding oversight – Chair Halverson stated the annual report will be released online at the end of the state fiscal year (June 30); DPAC will be providing the report.</li> </ul>			
<p><b>2. Construction</b> – Debbie Hunsaker, Chair                      14 participants (6 council members; remaining were Caltrans staff)                      Goals update:</p> <ul style="list-style-type: none"> <li>a. Attending Caltrans statewide outreach events – working with OBEO to coordinate schedules.</li> <li>b. Prime contractor award – action plans have been set; will have more information to share during the May SBC meeting. Expect to develop the ballots by July, make selections by September, award winner by November. Nominations will be based on the SB community’s perspective of primes.</li> <li>c. Showcasing a DBE – the utilization report will be a good tool to help the committee determine who to showcase.</li> <li>d. Insurance                             <ul style="list-style-type: none"> <li>01. Additional insured – additional insured, not indemnification, is the main problem. The committee requests Caltrans assistance in resolving this issue.</li> <li>02. Bonding problems around liquidated damages (LD) – bonding companies will not bond you if you have LDs on record. This affects all SBs, and includes those firms in A&amp;E. Chair Halverson stated this matter is on the agenda for the next DBE Participation Committee meeting.</li> </ul> </li> <li>e. Prompt payment – the committee is looking for specific examples and requests members send these to either Ms. Hunsaker or Angela Shell, Caltrans Construction.</li> <li>f. Two-party checks – discussion continues.</li> <li>g. Presentation by Camillo Prandini on the Caltrans website – new and improved; members were impressed and encouraged the rest of the council to explore it.</li> </ul>			

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<p><b>3. Professional Services</b> – Bill Ulmer, Chair                      12 participants.  <b>Discussion:</b></p> <ul style="list-style-type: none"> <li>a. District 8 A&amp;E pilot program – ten recommendations from the committee; formal response requested from Caltrans.</li> <li>b. Generic A&amp;E contracts – the committee has developed recommended language, encouraged language, and rating criteria.</li> <li>c. Utilization reporting – because the reporting for A&amp;E is a little different, Mr. Lau and Mr. Ulmer will be putting together a template for A&amp;E reporting for district reports; intend to have this done within the week.</li> <li>d. Supportive Services contract – the committee is recommending specific language in the Scope of Work, i.e., attending committee meetings, which Chair Halverson stated could be added. Emphasized communication with the Supportive Services contractor is necessary. Questions arose around the process of accountability and reporting.</li> <li>e. SB set aside – discussed how local agencies are able to do this.</li> </ul>			
<p><b>4. Commodities</b> – Zeke Patten, Co-Chair</p> <ul style="list-style-type: none"> <li>a. Looking to increase their committee membership.</li> <li>b. Morris Caudle, District 6 Small Business Liaison, explained how commodities are purchased by Maintenance – the process used has been in place for over ten years; bidding process uses quotes from two certified SBs, after which the decision is made on which company to use; \$281,000 ceiling for DVBEs. Maintenance uses this method extensively because it has so many small contracts to fulfill. CalCard is used for purchases under \$5,000. Copies of this procedure will be provided to the committee.</li> <li>c. Requested a list of items most purchased during the last quarter.</li> <li>d. Procurement fairs – confirmed that these are still being held in the districts; Mr. Sartipi mentioned a list of the items purchased in District 4 is available online.</li> <li>e. Council Member Scott Leslie suggested a walk through on what is available online.</li> </ul>			
<p><b>L. New Business</b></p> <ul style="list-style-type: none"> <li>1. Report on I-405 – information requested on utilization; managed by Los Angeles METRO.</li> </ul>			
<p><b>ACTION ITEM #1: I-405 utilization information requested.</b></p>			
<p><b>M. Public Comment</b> – Chair Halverson, Facilitator</p> <ul style="list-style-type: none"> <li>1. Council Member Stephen McGlover announced their annual Career Day is scheduled for May 15, 2014; expect 3,000 youth to attend, as well as 30 to 40 prime contractors; expect to have 120 summer jobs as a result of this event.</li> <li>2. Council Member Lynn Chen announced there will be a free certification workshop in District 8 scheduled for April 9, 2014 from 9:00 a.m. to 11:00 a.m.</li> <li>3. Mr. Garcia noted Thomas Knox has provided copies of the District 7 report for members at the sign-in table.</li> </ul>			
<p><b>Meeting adjourned:</b> 12:05 p.m.</p>			
<p><b>Next meeting: May 16, 2014, Sacramento;</b> specific details to be sent to members.</p>	<p>Carole Ching to notify SBC members.</p>	<p>4-21-14</p>	<p>Message sent via email to council members notifying them of the May 16 SBC meeting in Sacramento.</p>

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

- Meeting agenda
- Meeting record, January 17, 2014 (draft)
- Caltrans SBC Strategic Planning Discussion, Draft, January 2014
- DBE Participation Committee – Background and Accomplishments as of December 3, 2013
- Disadvantaged Business Enterprise Supportive Services – Accomplishments for 2013, Northern and Southern California Contracts
- Save the Date flyer: Business Matchmaking Expo, May 29, 2014, Fresno
- Flyer: Upcoming Caltrans District 6 Small Business Events, 2014
- Registration brochure: 6<sup>th</sup> Annual Greater Los Angeles Construction and Associated Careers Awareness Day, May 15, 2014

### PRESENT

#### Council Members:

1. Ajiake, Matthew (teleconference)
2. Calderon, Josie
3. Chaudhary, Arvin
4. Chen, Lynn
5. Garcia, Brenna Butler
6. Garcia, Rodrigo
7. Halm, Eric
8. Hernandez, Richard
9. Hou, Johnathan
10. Hunsaker, Debbie
11. Jordan, Fred
12. Kim, Jason
13. Lau, Eddy
14. Robinson, Jim (Alt.)
15. Leslie, Scott
16. Llewellyn, Rebecca
17. McGlover, Stephen

18. Patten, Zeke
19. Ulmer, Bill
20. Yu, Ming Chen (Alt.)

#### Caltrans Staff:

1. Dougherty, Malcolm, Director, Caltrans
2. Halverson, René, Assistant Director, OBEO & Council Chair
3. Alexander, Rebecca, District 2 (teleconference)
4. Bencomo, Pat, District 6
5. Caudle, Morris, District 6
6. Ching, Carole, OBEO
7. Delgado, Sylvia, District 7
8. Gustinell, Sherri, OBEO
9. Gongora, Michelle, District 11 (teleconference)
10. Knox, Thomas, District 7
11. Knudsen, David, District 8 (teleconference)
12. Madden, Linda, OBEO
13. Martinez, Steven, District 10

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14. Mertlik, Kelly, District 6
15. Negri, Francesca, DPAC
16. Prandini, Camillo, District 6
17. Pulido, Lauren, District 10
18. Samaniego, Gloria, District 6
19. Sartipi, Bijan, District 4
20. Shell, Angela, Construction
21. Singh, Sanjay, OBEO
22. Solis, Mario, OBEO (teleconference)
23. Ward, Desiree, District 6
24. Wells, Henry, Local Assistance
25. Weissman, Trina, OBEO

**Guests:**

1. Jones, David, AGC
2. McDonnell, Beth, City of Fresno
3. Yokota, Lance, FHWA

**Public Participants:** None listed