

# Caltrans State-Wide Small Business Council Meeting Record

January 19<sup>th</sup>, 2024, 8:30 a.m. – 12:00 p.m.

- Hybrid via WebEx and in person at 4050 Taylor St., San Diego, CA 92110
- Next Meeting: March 14<sup>th</sup> and 15<sup>th</sup>, 2024, virtual via WebEx.

## Action Items

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- Data Analysis will look at backup data relating to the D43 and D59 reports of 0 DBE and 0 DVBE participation as well as the D59 \$28 million contract.
- The Data Analysis presentation will be shared with the Council.
- The Caltrans Small Business web pages will be reviewed and updated.
- OCR will work with the Division of Construction to develop a communication/article to send out to SBs and DBEs relating to resources for prompt pay issues.

## Welcome and Council Member Roll Call – David DeLuz, Office of Civil Rights Deputy Director

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- Meeting Start Time: 8:30 a.m.
  - Quorum achieved - 22 of 31 council members present.

## Agenda Review and Meeting Record Approval

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- Rebecca Llewellyn motioned to approve the November 17, 2023, meeting record with all necessary corrections. Eddy Lau seconded.
  - Motion passed.

## District 11 Highlight – Everett Townsend, Acting Deputy Director of District 11

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- Gustavo Dallarda retired at the end of 2023. Everett Townsend is acting Deputy Director of District 11.
  - District 11 Caltrans staff introduced:
    - Denella Morgan, Deputy District Director of Administration
    - Michelle Gongora, Safety and District Services Branch Chief
    - Maria Ibarra, Business Services Manager
    - Michaela Howard, District Small Business Liaison
    - M'Lynn Martin, Small Business and Property Management Analyst
    - Tracey D'Aoust Roberts, Deputy District Director of Environmental
    - Clint Peace, Division Chief of Program Project Management
  - [District 11 – Small Business Highlight Video](#)
    - <https://youtu.be/VrrxyDfOZBc?feature=shared>
    - Minor B Contracts
      - 54 contracts awarded
      - \$13,763,550 awarded to 46 Small Businesses (SB)
    - 19<sup>th</sup> Annual Procurement and Resource Fair
      - 71 exhibitors including 9 primes, 9 resource partners, 25 public agency partners, and 28 Caltrans buyers/programs.
      - 463 attendees.
      - \$249,635 was spent on SBs that attended.

- In 2023, the District 11 Small Business Team participated in 38 outreach events and hosted 5 local SBC meetings.
  - FY 22/23 utilization
    - Small Business: 71.8%
    - Disabled Veteran Business Enterprise: 3.5%
    - Disadvantaged Business Enterprise: 30.5%

## Highlights from the Director's Office – Tony Tavares, Caltrans Director

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- January is Dr. Martin Luther King Jr. Month
  - Dr. Martin Luther King Jr.'s legacy informs Caltrans and the work being done to improve equity in transportation.
- Winter Storms and Safety
  - In 2023, there were no worker fatalities but more than 4,000 people have died on California's roadways.
    - To achieve zero fatalities, Caltrans is implementing a "Safe System Approach:"
      - Humans make mistakes, are vulnerable, and responsibility is shared.
  - Caltrans routinely partners with CHP, CalFire, and regional and local agencies to respond to inclement weather and hazards.
    - There is always an opportunity for contractor involvement in emergency/maintenance work.
    - If you have not done so already – Caltrans has an Emergency Contractor Registry at [ocr.dot.ca.gov](http://ocr.dot.ca.gov)
- Climate Action
  - Governor Gavin Newsom announced \$40.5 million from the National Electric Vehicle Infrastructure (NEVI) program to build 270 electric vehicle (EV) fast chargers at 26 sites along state highways.
    - This will double the number of highway fast charging stations and encourage more motorists to drive EV vehicles.
  - In October, Caltrans signed a \$80 million contract to deliver the first zero-emission, hydrogen intercity passenger train in North America.
- Clean California
  - Since July 2021, Caltrans has removed an estimated 2 million cubic yards of litter from state highways –enough to fill 634 Olympic-size swimming pools.
  - The program has created more than 8,700 jobs that have helped Californians overcome barriers to employment and funded hundreds of projects to revitalize underserved communities.
- The 2024 Annual Transportation Research Board Meeting
  - There were equity sessions on topics like bicycling, charging of electric vehicles, and innovation in accessible transportation.
  - Topics discussed include:
    - Reducing greenhouse gas emissions

- Sustainability of asphalt pavements
  - Artificial intelligence (from language translation to data visualization.)
- Caltrans Industry Safety Summit
  - Priorities include addressing work zone safety and the mental health/well-being of workers and contractors.
  - The Construction Zone Enhanced Enforcement Program (COZEEP) will be used to create safer work zones for our workers and motorists.
  - Summit will examine Cal/OSHA safety and Caltrans Standard Specifications enforcement.
- New Appointments
  - Mark Samuelson has been appointed Acting Deputy Director of Planning, Local Assistance, and Environmental Support in the Stockton area (District 10).
  - Marlon Regisford is the new Deputy Director of Planning and Local Assistance in the Los Angeles area (District 7).
  - Matt Rocco is the new Assistant Deputy Director of Public Affairs at Headquarters in Sacramento.
  - Acting Deputy District Directors
    - District 3, North of Sacramento - Dave Moore
    - District 10, Northern Central Valley - Eric Mather
    - District 11, San Diego and Imperial Co. - Everett Townsend
    - District 12, Orange County - Mario Orso
- Questions and Comments:
  - Will there be goals attached to contracts related to energy infrastructure in the future? (Zeke Patten)
    - There was a 25% goal on broadband contracts. With NEVI and EV charging, it would be the California Energy Commission (CEE) attaching goals. Caltrans is currently working with the CEE to have goals that include SBs. (Tony Tavares).
  - Did SBs receive any broadband work across the state? (Lee Cunningham).
    - Currently, the Middle Mile Broadband Initiative (MMBI) is in the pre-construction phase. Once work orders go out, MMBI will track SB participation. (Tony Tavares).
  - How can SBs find out when work is available and how to bid on contracts? (Rebecca Llewellyn).
    - Caltrans provides a look ahead on what projects are upcoming. (Tony Tavares).
    - <https://ppmoe.dot.ca.gov/des/oe/contractor-info.html>
  - The Professional Services Committee is aware and recognizes the 70% success rate on Minor B of 70% SB participation. The Committee, and the new chair, Trinity Nguyen, hope to assist this year. (Albert Leung).

## FHWA Update – Elissa Konove, Acting Director of Field Services – West

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- The first quarter of the fiscal year (FY) through December was strong. Caltrans is just short of the 22% DBE goal.
- Program reviews and the implementation of B2GNOW are progressing.
- Congress recently passed another short-term spending bill to take the appropriation process through to the beginning of March.
  - FHWA is not reliant on bipartisan infrastructure law. Will maintain operations while watching the overall budget.
- Check the FHWA website for Notice of Funding Opportunities:
  - <https://www.transportation.gov/bipartisan-infrastructure-law/key-notices-funding-opportunity>
- California received another 70 grant awards.
  - These are awards to local agencies, NPOs, and regions.
    - 14 capital projects under “Safe Streets for All” to continue to make improvements at the local level on safety projects.
- NEVI Program
  - \$65 million was awarded to Caltrans to replace and repair broken EV chargers.
    - This is a great opportunity for contractor involvement.
- The Manual on Uniform Traffic Control Devices (MUTCD) 11th edition
  - Recently updated with a focus on improving safety for all road users
  - Addressing vulnerable road users and workers in work zones.
  - This will be addressed at the Caltrans Safety Summit.

## Action Item Log Review

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- Questions related to the Action Item Log will be sent to Shannon Koga from the Professional Services Committee and the new chair, Trinity Nguyen. (Albert Leung).

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

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- Upcoming Procurement Opportunities
- <https://caleprocure.ca.gov/pages/Events-BS3/event-search.aspx>
  - IT-related opportunities
  - Traffic control modules
  - EV supply equipment
- Upcoming Outreach Events
- <https://www.dgs.ca.gov/PD/Events>
  - Tuesday, February 13, 2024 - Certification Workshop Part 2 hands On
  - Thursday, February 22, 2024 - SFAACC and SBA 3Cs Partners Convening
- Certification
  - There is a backlog. Reach out to DGS if you need a bid expedited.

- <https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/File-a-Certification-Recognition-Expedite-Request?search=expedite>
- Compliance
  - 13 program abuse cases are currently under investigation
  - 33 compliance reviews
  - 3 DBE substitution requests
- SB/DVBE Policy and Regulations Reminder
  - Effective October 1, 2023, AB 2019 voluntary diversity data collection has been enhanced with new FI\$Cal functionality to capture and display, in addition to the voluntary diversity information, other diversity certifications such as Disadvantaged Business Enterprise (DBE), Small Business Administration (SBA) 8(a), Minority Business Enterprises (MBE), Woman Business Enterprises (WBE), Lesbian, Gay, Bisexual, Transgender Business Enterprises (LGBTBE), and other non-State certifications.
- SB/DVBE Training
  - DGS Strategic Goal to launch an in-depth SB/DVBE Training on navigating the state bidding and contracting process has begun offering classes for 2024
    - SB/DVBE Training Website: SB-DVBE-Training-Unit (ca.gov)
      - <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/SB-DVBE-Training-Unit>
    - SB/DVBE YouTube Playlist: SB/DVBE Training – YouTube
      - <https://www.youtube.com/playlist?list=PLaCRb19DMOL3XIWAjrPjAikmRcfhRnsEm>
- Statewide Supplier Diversity Program (SSDP) Update
  - Disparity study draft is under review.
  - The RFP had a SB participation goal of 10% and a DVBE incentive.
- CA Supplier Diversity Symposium
  - Symposium is on March 14, 2024, from 8:30 a.m. to 3:00 p.m. at the Ziggurat Building, 707 3rd Street, West Sacramento, CA.
  - The event will be in-person and will feature a range of breakout sessions offering insights on contracting with the state, utilities, healthcare industries, and more.
- Generative AI Update
  - Executive Order N-12-23 was issued on September 6, 2023, specific to the State's processes around generative artificial intelligence.
    - California will study the development, uses and risks of AI technology statewide, and develop a deliberative and responsible process for the evaluation and deployment of AI within state government.
      - There will be disclosures when Generative AI is used in government work.

- The report will be published by the end of January and a public toolkit will be made available as well.
- Two RFI Projects Issued
  - Vulnerable Road User (VRU) Protection. Investigate near misses of injuries/fatalities to identify risky areas and monitor interventions designed to increase safety of vulnerable road users.
    - <https://caleprocure.ca.gov/event/77601/0000029441>
  - Traffic Management (Traffic Operations). Process and interpret complex data to improve traffic pattern analysis, address bottlenecks, and enhance overall traffic management.
    - <https://caleprocure.ca.gov/event/77601/0000029442>
- Questions and Comments:
  - Will the disparity study allow Caltrans to have demonstration projects and expand the DBE program? How far-reaching is the disparity study? (Fred Jordan).
    - The disparity study is addressing different areas across the state of California. The report will provide recommendations on how to increase numbers across the state. (Angela Shell).
      - Caltrans implements its own statewide transportation-specific disparity study. Caltrans needs recommendations on strategies to improve outcomes for bidding/participation. The Mentor-Protégé Program has been expanded and there are other efforts in progress now. (David DeLuz).
  - Generative artificial intelligence has many challenges, including well-researched gender biases and biases against certain minority groups. AI should enable small businesses not hinder them. (Shaila Rao Mistry).
    - The tools of generative AI will be tested in a sandbox environment to observe how the data responds. It will identify whether the data is accurate or biased and the State will adapt processes to ensure guidance and training on how to manage future AI contracts. (Angela Shell).
  - Historically, DBEs were all classified as SBs because the size standard was so large. In the State portal, there are ways to track which certifications are attached to SBs and DBEs. There should be an easier way to do this. (Lee Cunningham).

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

- No update; no representative present.

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#### Caltrans State Partner Reports – High-Speed Rail – Catrina Blair

- Events
  - Small Business Pitch to Primes

- Wednesday, January 31, 2024
    - 10:00 a.m. to 11:00 a.m.
  - Meet The Prime: AECOM-Fluor
    - Monday, February 5, 2024
    - 11:00 a.m. to 12:00 p.m.
  - HSR Small Business Fast-Track Networking Fair
    - Tuesday, May 7, 2024
    - 9:00 a.m. to 1:00 p.m.
- Vendor Registration
  - <https://hsr.ca.gov/business-opportunities/small-business-program/connecthsr-vendor-registration/>
- Request for Qualifications (RFQ) Issued
  - A RFQ to procure a contract for Design Services for Track and Overhead Contact Systems (OCS)
    - The purpose of this procurement is to enter into an agreement with a consultant to design track and overhead contact system elements for the 171-mile guideway from Merced to Bakersfield.
      - **Statement of Qualifications Due Date:** January 22, 2024
      - **Notice of Proposed Award:** February 2024
      - **Contract Execution and Notice to Proceed:** April 2024
  - A RFQ for High-Speed Trainsets and Related Services =
    - This procurement will result in a supply-maintain contract for the provision of trainsets, a driving simulator, and related services.
    - Shortlisted teams from the RFQ process will be eligible to participate in the Request for Proposals (RFP).
      - **Statements of Qualifications Due Date:** November 14, 2024
  - A RFQ for Rail Systems Engineering Services
    - The purpose of this procurement is to enter into an agreement with a consultant to provide professional services to the Authority including rail systems engineering, system certification oversight, and more.
      - **Notice of Proposed Award:** October 2024
- Questions and Comments:
  - There was a DBE that received 10% of the contract on a proposal. (Fred Jordan).
    - HSR expresses goals individually. There is a 20% goal with 3% on microbusinesses and 3% for DBE/DVBE. The RFPs that went out still have 30% overall goals. (Catrina Blair).
  - Have you set a goal for the procurement of trains? (Fred Jordan).
    - When the RFP is released the goal structure will be identified. (Catrina Blair).
      - Encourage members of your chambers to become dually certified now. Many of the opportunities available are more beneficial if businesses are dually certified. (David DeLuz).

## Break

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- Break Start: 10:31 a.m.
- Break End: 10:37 a.m.

## Construction Committee Reports – Debbie Hunsaker, Chair

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- The Construction Committee re-elected Debbie Hunsaker as the Chair, with Rebecca Llewellyn re-elected as Vice Chair.
  - Debbie Hunsaker noted that she will also serve as Chair of the Local Assistance Committee.
    - While Construction topics do cross over into Local Assistance topics, the two committees will meet independently as separate committees.

## Local Assistance Committee Reports – Debbie Hunsaker, Chair

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- The Local Assistance Committee elected Debbie Hunsaker as the Chair, with Lee Cunningham elected as Vice Chair.
  - No additional report was given.

## Professional Services Committee Reports – Trinity Nguyen, Chair

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- The Professional Services Committee elected Trinity Nguyen as the Chair, with Raewyn Butcher elected as Vice Chair.
  - Albert Leung was acknowledged as serving as the Chair for the past 3 years, as well as Johnathan Hou as Vice Chair, and Eddy Lau and Fred Jordan for providing support.
- Action Items are at a standstill.
  - Action Items/Goals from 2023 will be resubmitted as goals for 2024, with minor modifications.
- Request for the Information Request Form to be converted to an Excel format.
  - Trinity Nguyen will attempt to convert this into an Excel form.
- Clint Peace provided a presentation on the D11 AE Bench Pilot.
  - The Professional Services Committee was appreciative of the clear and concise presentation.
- Vince Mammano attended the Committee meeting and requested to attend future Professional Services meetings.

## Commodities Committee Reports – Chair TBD

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- Due to unforeseen circumstances, the Commodities Committee meeting was discussion only, and no report was given from the Committee.

## African American DBE Participation Ad Hoc Committee – Chair TBD

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- Due to unforeseen circumstances, the African American DBE Participation Ad Hoc Committee meeting was discussion only, and no report was given from the Committee.

## Office of Civil Rights Reports – Aisha Copeland, Office Chief of Outreach, Supportive Services, and Data Analysis

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- Federally Funded Contracts (October 1, 2023-December 31, 2023)
  - DBE Commitment at Award (CAA) for All Divisions
    - DBE CAA 21.49%, DBE Goal is 22.23%
    - Race Conscious (RC) CAA 19.56%, RC Goal is 18.30%
    - Race Neural (RN) CAA 1.93%, RN Goal is 3.90%
  - DBE Participation of All Divisions
    - OE, DPAC, DLA & DOTP
      - Awarded 63 contracts
      - Total Contract Award: \$866,138,430.13
        - Total DBE Commitment: \$186,985,839.59
        - 21.59%
    - CMGC
      - Awarded 1 contract
      - Total Contract Award: \$72,520,000.00
        - Total DBE Commitment: \$14,726,239.67
        - 20.31%
          - Total DBE Commitment across all divisions: 21.49%
    - Socially & Economically Disadvantaged (SED) Group
      - Total Award Dollars: \$938,658,430.13
        - # of Contracts Awarded
          - 121 Non-Minority Women Owned
            - \$62,859,967.04
          - 51 Asian Pacific
            - \$29,546,987.71
          - 15 Native American
            - \$13,053,340.75
        - Year-over-Year
          - 21.49% in December 2023 CAA as opposed to 25.25% in December 2022.
            - Data Analysis will review the data to see how to improve this number.
  - State-Funded Contracts Including Minor B (July 1, 2023-September 30, 2023)
    - Highest Awards by District:
      - Small Business/Microbusiness Participation
        - District 7 - awarded \$51,563,288 with \$34,719,523 awarded to SB/MB (67.3%).

- District 11- awarded \$37,798,861 with \$31,799,185 awarded to SB/MB (84.1%).
    - District 9 - awarded \$2,140,602 with \$1,728,696 awarded to SB/MB (80.8%).
  - DVBE Participation
    - District 10 - awarded \$13,863,959 with DVBE Participation of 4.4% at \$607,117.
    - District 3 - awarded \$35,186,293 with DVBE Participation of 3.7% at \$1,293,419.
- Minor B Contracts
  - Total Contract Dollars: \$23,198,782
  - 92 Contracts
- Questions and Comments:
  - When did these groups begin being referred to as SED? (Zeke Patten).
    - SED refers to socially and economically disadvantaged groups. It is used to differentiate categories. (Aisha Copeland)
      - This is a federal designation. It describes 6 categories that are measured. (David DeLuz).
  - In reference to the District 43 and District 59 reports, there are 0 DBE and 0 DVBE participation contracts awarded. What is the cause behind this? In addition, D59 was awarded 1 contract totaling \$28 million. Are there opportunities for primes to work with small businesses? (Albert Leung)
    - Aisha Copeland will look at the backup data and provide the information later.
    - Regarding District 59, there is discussion of unbundling in Professional Services. District 59 is DES and they have unbundled in the past. Uncertain of the situation with the \$28 million. (David Prizmich).
  - How did District 11 get 38 contracts? The number of occurrences is impressive. (Lee Cunningham).
    - This is due to the hard work of the District 11 SB team and the Minor B team. District 11 is committed to increasing SB partnership. (Everett Townsend).
  - Can all the data shared be consolidated into one document electronically? (Albert Leung).
    - Yes. (Aisha Copeland).

## SBC Topic: Large Group Discussion – David DeLuz

- Ideas for the 2024 SBC Topic
  - Bonding Assistance Program
    - Restarting this program would provide access to real capital.
    - The program would include bonding and insurance.

- A partnership between OCR and the Office of the Treasurer and the Office of the Governor would bring together resources to increase SB capacity building.
- In the past, when Primes won a contract, DPAC sent a letter to inform that a contract had been awarded. This has since been discontinued. Can you look into this? (Johnathan Hou).
  - David Prizmich will investigate this.
- Is it possible for DPAC to provide a progress update on the A&E attainment every 6 months? Does B2GNOW do this? (Johnathan Hou).
  - B2GNOW may be able to do that. Once DPAC executes a contract, it moves on. DPAC may be able to find out how to produce what you are asking for. (David Prizmich).
- Design-Build and the goals are not always clear. Is that something that SB could work on? (Rebecca Llewellyn).
  - Caltrans has been participating in FHWA's Every Day Counts 7 (EDC), looking at innovations to the DBE program as part of the Design-Build process. Caltrans is attempting to improve outreach, communication, monitoring, and guidance on how to work with prime partners and ensure clarity on goals. (David DeLuz).
- The Small Business webpage for District 11 is the easiest to find. Can we look at all the other district SB webpages to ensure they are up to date and available to contact? (Raewyn Butcher).
  - In District 4. The webpage will be revamped at the start of the year. D4 SB would like to collaborate on ways to improve the webpage. (Debra Nelson).
- As a Council, it would be nice to revisit our commitment and ensure that we are all as active as we can be. (Karen Nelson).
- Prompt pay; SB cannot stay in business if they are not paid promptly. It must be on the agenda. (Rebecca Llewellyn).
  - Can B2Gnow be implemented where it also tracks Minor B contracts? (Debbie Hunsaker).
    - With the implementation of B2Gnow, more prompt pay issues are being tracked. We need recommendations on how to improve this process. (David DeLuz).
    - In B2Gnow unapproved change orders fall through the cracks. As of today, I have been owed more than \$1.5 million. The issue with Minor B payments is the process. (Abd Jahshan, Guest).
      - B2Gnow is only for Construction-administered projects. There are Minor Bs that are not out of Construction. As far as the change order, we do have an HQ B2Gnow support unit that we oversee. Please email the Division of Construction (DOC) directly. (Lindsey Woolsey).
      - OCR should work with DOC to develop a communication or article to send out to our SBs and DBEs, that points them in

the direction of resources for prompt pay issues. (David DeLuz).

- One of the challenges is identifying how to create a process that monitors the contract process. DPAC is executing contracts, not monitoring. We must find a solution. (David DeLuz).
- There are not enough penalties for Primes who do not pay on time or work efficiently with subs. (Fred Jordan).
  - This is on our list of issues to address. (David DeLuz).

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## New Business

- None.

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## Public Comment

- None.

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## Closing Remarks – David DeLuz

- The 2024 Schedule of SBC Meeting is tentative and subject to change due to health advisories or the Governor's Budget.

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## Meeting Adjourned

- Meeting adjourned at 11:52 a.m.

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## Next Meeting

- March 14 and 15, 2024
  - Virtual via WebEx only.

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## Council Members – Roll Call

- Raewyn Butcher, BuildOUT California
- Derek Carroll, Elite Service Disabled Veteran Owned Business Network
- Arvin Chaudhary, American Council of Engineering Companies - CA
- Lee Cunningham, Women Construction Owners and Executives, CA Chapter
- Candace Friedman, Women's Construction Coalition
- Bruce Giron, National Association of Minority Contractors, NorCal Chapter
- Nicole Granger, Southern California Black Chamber of Commerce
- Johnathan Hou, Asian Business Community Development
- Richard Hernandez, San Bernardino Chamber of Commerce
- Debbie Hunsaker, Fresno Chamber of Commerce
- Fred Jordan, San Francisco African American Chamber of Commerce
- Eddy Lau, Asian American Architects and Engineers
- Albert Leung, Asian American Architects and Engineers, Southern California

- Dr. Cassandra Little, Fresno Metro Black Chamber of Commerce
- Rebecca Llewellyn, Women Construction Owners and Executives, USA
- Shaila Rao Mistry, National Association of Women Business Owners, California
- Karen Rollandi, Women Construction Owners and Executives, CA Chapter
- Karen Nelson, California Asian Pacific Chamber of Commerce
- Trinity Nguyen, Conference of Minority Transportation Officials, NorCal
- Zeke Patten, Black Business Association
- Shari Tavafrashti, WTS International, San Francisco
- Lisa Vela, San Joaquin County Hispanic Chamber of Commerce
- Rich Wallace, Southern California Black Chamber of Commerce