

# Caltrans State-Wide Small Business Council Meeting Record

March 17<sup>th</sup>, 2023, 8:30 a.m. – 12:00 p.m.

- Conducted via WebEx, Caltrans District 10 Office, 1976 E. Dr. Martin Luther King Jr. Blvd, Stockton, CA, 95206
- Next Meeting: May 18<sup>th</sup> and 19<sup>th</sup>, 2023; Hybrid Meeting via WebEx and in-person at the District 4 Office in Oakland, CA.

## Action Items

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- Caltrans needs to create a broadband Middle Mile small business page link and list all of the work codes so that they are available online.
- OCR will analyze current proposals to see what type of work is going to small businesses to achieve SB goals. The plan is to spot trends in the proposal data.
- Provide the following documentation to the council: District 10 video, DGS updates, HSR updates.
- Caltrans will issue strategy prompts to the SBC for feedback. The feedback is due at the next meeting.

## Welcome and Council Member Roll Call

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- David DeLuz opened the meeting at 8:33 a.m.
- Council Member Roll Call at 8:38 a.m.
  - Quorum Reached
- Recognition of Paul Guerrero
  - Presentation by Albert Leung, Zeke Patten, and Fred Jordan
  - Paul Guerro has been a member of the SBC since 1988 and often shared his home with the council members whenever the meetings took place in Stockton.
    - Paul was an amazing lawyer and contractor.
  - Jordan, Patten and Leung, on behalf of the Professional Services Committee, gifted Paul Guerrero a Chinese painting, prepared by one of the committee members. Between 2006 and 2012, when the SBC met in Stockton, the late June Guerrero and Paul Guerrero opened their house for the committee meetings and served dinner on Thursdays. For each of the events, the Guerreros made wine glasses to commemorate the event. Albert Leung handed over the box of wine glasses that was the leftover from the previous years, that Paul Guerrero wanted to share with the members and Caltrans staff.
  - Caltrans gifted Paul a certificate of appreciation signed by David DeLuz and Director Tony Tavares.
  - Other appreciation remarks were made by Debbie Hunsaker, Shaila Rao Mistry, Lee Cunningham, and Danny Garza.

## Agenda Review and Meeting Record Approval

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- Motioned by Paul Guerrero to approve the meeting record from January.
  - Motion carried.

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

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- Started off the presentation by echoing appreciation of Paul Guerrero.
- Winter storms impact – Caltrans
  - Many crews have been working 12 hour shifts since late December.
  - Caltrans appreciates all the work to keep California moving and keeping people safe through the winter storms.
- Small Business (SB) – Caltrans has changed their policy to make small businesses the main focus.
  - Small Business updates as of late February
    - 31% directors' orders are going to small businesses
    - 74% of smaller contracts are going to small businesses.
    - As of February 28th, \$158 million to small businesses
    - \$332 million of construction dollars has gone to socially/economically disadvantaged businesses.
- Broadband Middle Mile Initiative
  - The council will get an update during this meeting.
  - All 5 contracts have gone out – each contract needs to have a comprehensive plan to meet both small business and Disabled Veteran Business Enterprise (DVBE) goals.
    - 25% SB goal
    - 5% DVBE goal
  - New staff members on the Broadband Middle Mile project:
    - Rebecca Mowry
- New District Directors
  - District 5 – Scott Eades
  - District 8 – Catalino A. Pining III
  - Finding a new director for District 7 is ongoing.
- Reorganization
  - The Director's Office of Sustainability and Caltrans' Office of Race and Equity (CORE) have combined to form the new Director's Office of Equity, Sustainability, and Tribal Affairs.
- Questions and Comments
  - Fred Jordan: High Speed Rail has a 30% small business goal and a 10% Disadvantaged Business Enterprise (DBE) goal in their projects. Could Caltrans use those goals in their own projects?
    - Michael Keever: Since this is federal money, both SB and DBEs will be covered in these projects. Some of the available IJA money is not available.
    - David DeLuz: Cross certification is heavily encouraged: A lot of resources will have DBE goals, and everyone should cross-certify as both a SB and a DBE.

- Albert Leung: Hopes that this is the year small business acquisition processes for DBE goals in professional services can be achieved.
- Dr. Matthew Ajjake: Regarding reimbursement opportunities for IJAs and SB1s.
  - Around \$6 billion a year, \$2 billion are competitive dollars, or about 10%.
  - California is a state that has 10% of the federal dollars due to its large population.
  - Caltrans is hoping to be successful with some very large projects:
    - 1.2 trillion for water and power.
    - Transportation will be half of that.
  - SB1 added more additional funds and many of the IJA funds replaced the FAST Act, with the funds going up to \$1.5 billion.
    - The funds are split 60/40 with Caltrans state and local partners.
    - Out of these funds, \$960 million goes into Caltrans.
  - Overall, Caltrans has greatly surpassed previous goals and could be one of the most significant transportation systems within the next 10 years.
- Dr. Matthew Ajjake: What will equity look like in ten years for Caltrans?
  - Caltrans is working on the next three-year cycle disparity study.
  - Caltrans also has their equity index to see how their projects are going and where the money is located at.
  - An equity advisory council is starting soon, with their first meeting starting in the near future.

## FHWA Update – Elissa Konove and Michael Caliendo

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- FHWA has been working with Caltrans on all the emergency contracts and relief.
- Emergency relief program
  - Those affected by the repeated storms will be eligible for federal funding.
  - FHWA will work with Caltrans to assess the damages and provide reimbursement.
- \$550 billion a year goes to California for transportation over a 5 year period.
  - \$350 million comes from FHWA
  - \$5 billion goes to Caltrans programs.
  - The funds do not include extra programs that the state has been successful in.
  - These funds account for about 10% of the federal program.
- \$3.4 billion goes to the Highway Infrastructure Program
- \$1.1 billion for bridge replacement program
- Grant Funding
  - \$700 million dollars for community charging programs and fuel porter grants – closes May 30<sup>th</sup>.
  - Check the USDOT website for other funding opportunities.

- New factsheets are available on the USDOT website for training and education purposes.
- Reminder to keep up with the federal register notices, especially if a proposal is up for comment.
- Heavy equipment academy
  - The next academy will take place in September.
  - The plan for the next round is to have a better job of connecting with contractors, doing both pre-apprenticeship training and apprenticeship training, and connect DBEs with job training to grow their expertise.
  - The last academy had 200 applicants and 20 participants.
    - The plan is to reach out to the council when another program is ready for applicants.
  - Michelle Lopez - Hardie: Marjani Rollins (Supportive Services) and her staff have not stopped working with the graduates.
    - Supportive services have been keeping in touch with the students and are helping them find employment.
    - Michelle then provided a photo of the heavy equipment academy graduation.
  - Question: Why does FHWA/Caltrans not want to go big on this program? Is there something that can be done to increase participation?
    - Michael Caliendo: They don't want the program to grow too big too fast. The program would end up being difficult to manage.
      - Framework, time, funding, billing, finances can be very hard to track allowable vs. unallowable costs.
      - It took 6 months for the first program to start, and the second program will not start for another 5 months.
      - Marjani Rollins can give them a call with more information.
  - David DeLuz: Skill demands are based on region.
    - FHWA and Caltrans want to make sure that they are providing training in areas that have a shortage of a particular skill.
  - Michael Caliendo: FHWA does create workforce gap analysis reports. These reports look at different geographical areas.

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## Action Item Review

- Debbie Hunsaker: Action Item #10 (September 2022) is still shown as assigned.
  - Ray Tritt did provide that information to the council. He will pilot the fuel index specs at the beginning of this year.

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## District SB Update (District 10) – Dennis Agar

- Recognized District 10 staff:
  - Executive management team: The document showcasing their names has been provided to the SBC.
  - Small business team:
    - Traci Admins – District Small Business Liaison (DSBL)

- Barbara Mendoza
- Stockton Channel Viaduct Replacement Project
  - District 10's largest project ever - \$800 million
  - Virtual Meet the Prime Event: March 28th
- Provided a video to share with the council that depicts District 10's small business efforts.
  - Avalanche control
  - Storm response teams
  - Stockton Channel Replacement Project
  - Delta Yosemite
  - Implementation of drone technology
  - District 10 SB usage
    - 23% DBE Commitment
    - 57% SB usage
    - 4% DVBE usage
    - 100% SB usage on emergency contracts
  - Hosted first Instagram social media campaign

## Broadband Middle Mile Initiative Update - Hardeep Takhar

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- PowerPoint provided to the SBC.
- Hardeep Takhar is the program director of Broadband Middle Mile.
  - Introductions:
    - Saad Samani – Office Chief for Alternative Delivery Office
    - Rebecca Mowry- New Project Manager for the Broadband Middle Mile
- Both Caltrans and the California Department of Technology are working on the Broadband Middle Mile Initiative.
- Contracting Status:
  - 75% of the network has been advertised.
  - 65% of the network have been awarded.
  - 5 regional job order contracts – 5200 miles
  - 12 CNGC contracts
    - 3 contracts are closed, and SOQs have been submitted
  - 8 CNGC contracts – 1490 miles
  - 6 closed contracts
  - 1 contract currently advertised – 580 miles
- Master agreements for 5 regional job order contracts are executed.
  - They will be awarded to the lowest responsive and responsible bidder.
- Broadband Middle Mile and SBs
  - DASSO is working with the DSBLs.
  - Meet the primes events for each JOC have been arranged.
  - Caltrans encourages SBs to register for match-making events.
- Questions and comments:

- Rebecca Llewellyn: Will the work codes needed for these projects be published where all SBs can easily access them?
  - Michelle Lopez-Hardie: DASSO has been doing that since November.
    - There is a flyer available that has all the work codes. It can be sent again.
- David DeLuz: Does Caltrans have a Broadband Middle Mile webpage? Caltrans can link the work codes, so they are available online. The link can then be shared.
  - Michelle Lopez Hardie: Sure
  - David DeLuz: The link needs to be sent out to all associations and chambers.
  - Dr. Matthew Aijke: Will the link list everything on broadband or what the JOC wants? The list could have things that are not needed.
  - David DeLuz: Caltrans does not know what the primes will perform and what they are subbing out.
    - Encourage attendance of meet the primes, match-making services, and calling the primes to see what they are planning on subbing out.
- Trinity Nguyen: Do we see any similarity in work going to businesses based on the contracts that are going out?
  - David DeLuz: OCR can definitely look through the proposals provided and look for trends in that data.
- David DeLuz: Match-making software provides an online environment to speak with contract managers to communicate about the firm's capabilities and speak to certain primes.
  - If a SB is already certified, they should have already gotten an email from the match-making software.
- Annie Aguilar: Will the meet the prime/match-making events happen after the contract is awarded?
  - Michele Lopez-Hardie: Yes.
- David DeLuz: Has OCR been sending messages to DBES letting them know that Broadband projects are available, to cross certify, and to let them know about the match-making software?
  - Michele Lopez-Hardie: DASSO has been doing this since November.
  - Annie Aguilar: Mentioned that they have not seen this email and that these emails need to be sent out again to the council and constituents.
- David DeLuz: OCR can communicate all day, but it is up to the firms to respond.
  - OCR can make sure that they have a list of everyone who gets subcontracted and then can run the list through the DBE database.

## Caltrans State Partner Reports Department of General Services (DGS) – Anda Draghici

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- Will provide updates on solicitation via email.
- The Office of Small Business Services participated in 23 outreach events both in person and virtually.
- Reminder that since January 1<sup>st</sup>, 2023, the SB size standards have increased from \$37 million to \$38 million.
- AB2019 - 25% SB participation goal in state contracts.
- Fi\$Cal database update: SBs and DVBEs can voluntarily provide diverse data on their Cal EProcure profile.
- AB2974- DGS is asked to report SB participation on a statewide level.
- Statewide Supplier Diversity Program
  - DGS tracks vendor numbers for diversity data.
  - More than 6400 bidders/vendors have diverse data in their databases.
  - The program is now fully staffed with a new analyst and data analyst.
- Questions and comments:
  - Dr. Matthew Aijke: Is DGS going to capture the data of the 25% SB goal? Will Fi\$Cal have the ability to track other departments quarterly?
  - David DeLuz: What is different about the data collection requests since they are voluntary? The concern is the lack of responsiveness.
    - Anda Draghici: Data collection started last April– it is completely voluntary.
      - David DeLuz: We don't require the collection of diverse data due and require it to be voluntary.
  - Do you give guidelines to procure contract?
    - There is a state manual that is the main guidelines and applies to all agencies.

## Caltrans State Partner Reports Governor's Office of Business and Economic Development (GO-Biz) – Bob Evans on behalf of Tara Lynn Gray

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- State Small Business Credit Initiative
  - \$1.1 billion from the American Rescue Plan Act for SBs who are recovering from the COVID-19 pandemic.
  - <https://www.treasurer.ca.gov/cpcfca/calcap/sb/ssbci.asp> for more information.
- California Microbusiness COVID-19 Relief Grant Program
  - Provides grants to micro-businesses that are impacted by COVID-19 and the related health and safety restrictions.
  - The grants are provided by the counties. Some of them are no longer giving out grants.
  - [https://www.canva.com/design/DAE3VZBf6PY/RvMNYRITs\\_RXMicPMiwivA/view?utm\\_content=DAE3VZBf6PY&utm\\_campaign=designshare&utm\\_medium=link&utm\\_source=sharebutton#1](https://www.canva.com/design/DAE3VZBf6PY/RvMNYRITs_RXMicPMiwivA/view?utm_content=DAE3VZBf6PY&utm_campaign=designshare&utm_medium=link&utm_source=sharebutton#1)
    - This link allows the user to find their county contact and if they are still providing grants.

- Supplemental Paid Sick Leave Grant Program
  - One time \$250 million grant for SBs to offset the cost of their employees who use the supplemental code.
  - <https://calosba.ca.gov/funding-grants-incentives/sick-leave-grant-program/> for more information
- California Dream Fund Program – Now Closed
  - The program has created 80 million jobs.
  - SBs overwhelmingly supported the program and provided GO-Biz with great feedback to support SBs in the future.
- California 2023 Small Business Persons of the Year
  - San Luis Obispo residents Jared Malapit, Erik Wright, and Karl Vaillancourt, owners of Precision Construction Services, are the winners
  - They will receive their awards in early May during the National Small Business Awards in DC.

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### Caltrans State Partner Reports – High Speed Rail – Ashley Mistler

- Email provided if there are any questions:
  - sbprograms@hsr.ca.gov
- Current Procurement Events
  - Right of Way Engineering and Survey Report Services (HSR 22-46)
    - SOQ due April 12th
  - Rail Systems Engineering Services (HSR 22-35)
    - SOQ due May 2nd
- Upcoming events
  - March 23<sup>rd</sup> – Buy it Month BSC Meeting
    - 1 p.m. - 4 p.m.
  - March 30<sup>th</sup> – Virtual Meet the Prime Workshop
    - 11 a.m. – 12 p.m.
  - April 13<sup>th</sup> – Road to Caltrans Workshop
  - April 18<sup>th</sup> – DGS' How to get Certified with the State of California
    - Virtual
    - 10 a.m. – 11 a.m.
  - May 5<sup>th</sup> – Virtual Meet the Prime Event
    - 11 a.m. – 12 p.m.

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### Break

- Break Start: 10:48 a.m.
- Break End: 10:53 a.m.

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### Local Assistance/Professional Services Committee Reports - Albert Leung

- The Committee has an action plan for 2023 consisting of 3 main goals and 12 action items.



- Goal 1: Obtain consistent reports from all districts and evaluate them to see what the committee needs more of. Put all documents into a Google form.
- Goal 2: Identify what SBs, DBEs, and DVBEs can do to increase their opportunities with Caltrans and other agencies.
- Goal 3: Identify what Caltrans can do to increase SB, DBE, and DVBE participation in state and federal programs.
  - Create more resources and videos on how to make participation easier.

## Commodities Committee Reports – Zeke Patton

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- Kudos to District 1, who had the largest SB participation on projects out of all the districts so far.
  - 73% SB participation
  - 4% DVBE participation
- Keywords
  - The commodities committee wanted to bring DPAC into the next meeting to learn about keywords and how they work in Caltrans.
  - The committee also wanted material from DGS to maximize keyword usage.
    - DGS does have videos going over keywords and they provide 1:1 assistance. A link will be provided after the meeting.
- Goals for 2023 – Same as last year, the committee wants to embellish them and have the goals finalized by the next meeting.
  - One of the goals will be related to verification.

## Construction Committee Reports – Debbie Hunsaker

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- Committee participation
  - Debbie sent out an email to the committee chairs proposing staggered committee meetings to encourage more participation.
  - Only four members of the construction committee showed up to the meeting on 3/16/2023.
- The committee goals are still focusing on education, training, prompt payment, and safety.
- Work Codes
  - Local agencies are not required to list work codes. They prefer to use NAICS codes.
  - Encouraging everyone to have a relationship with their local agency and talk to them about the importance of work codes so that SBs are not missing out on projects.
- Education and Training
  - DBE contractor trainings will be uploaded onto YouTube and the Caltrans website in the near future.
- Small Business Opportunities

- Information relating to small businesses should be readily available to those that are not part of a large organization.
- Caltrans can check in with DGS to see if they have a Chamber of Commerce list.
- Prompt Payment and Supplier Issues (Rebecca Llewellyn)
  - All REs need to understand that they should pay small businesses right away after each section of a project is completed.
  - Suppliers no longer have the patience for small businesses.
  - For longer contracts, products with little or no shelf life are becoming more of an issue because of cost.
  - Prices on materials change in an instant and SBs are not being notified.
    - Rebecca will provide examples to both Ray Tritt and Margie Perez
- The committee thanked Pat Maloney, who is retiring soon, for her contributions.

### African American DBE Participation Ad Hoc Committee – Jay King

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- Will McClure presented this section.
- The committee wanted to focus on three action items based on 1574 AB.
  - Action Item 3 – Break bids into smaller chunks so that SBs can participate.
    - Tier projects based on how much they cost.
      - \$20 million projects broken down into \$4-5 million projects.
      - \$220k or less – options to break them down into \$50-\$100k projects.
    - Emphasized the importance of engaging new firms and firms with limited experience.
    - Emphasized the importance of fair/reasonable contracts that are \$10k or less from DGS.
  - Action Item 5 – Advertise projects on the state of California register.
    - If a small business is certified, they should get email notifications about upcoming bids.
    - Encouragement of having dual certification so SBs and DBEs can have access to more codes.
      - 75-80% of small businesses are dual certified.
  - Action Item 6 - Special consideration, when possible, with reducing inventory requirements, and experience for a small business to have when bidding on projects.
    - 1574 toolkit
    - Look into what does “special consideration” really mean.

### SBC Topic – Review results from survey to determine goal(s) for 2023

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- Reminder that Caltrans needs more engagement with the SBC not just in the meeting, but with the surveys as well.
  - Only 12 people responded to the organization’s survey.
  - The council’s input matters to make sure that everything is driving in the right direction.
- Survey Results

- There were 9 total questions, and a weighted average was presented in the survey results.
- The top four survey statements that the council deemed most important:
  - Identifying supportive services needed by existing/emerging/not yet certified SB/DBE/DVBE firms.
  - Improving and increasing relationship building between SB/DBE/DVBE firms and Caltrans districts
  - Partnering and teaming to build relationships between primes and subs.
  - Data collection that is essential for the Council's purpose – centralizing requests, identifying metrics, and providing information that is of general benefit.
- Discussion: Why is identifying supportive services one of the most important topics?
  - Albert Leung: Lack of resources and marketing for small companies denies opportunities.
  - Dr. Matthew Aijke: Caltrans and bidding requires a lot of participation and engagement to set up.
    - Each task requires a large amount of time for the SB, which they might not have.
    - More resources and technical assistance readily available will make SBs more successful.
    - Suggestion: Create a place for SBs which provides all resources in one place.
  - David DeLuz:
    - There is no dedicated SB page, and a lot of the available resources pertain to the prime specifically. An SB development center would be useful.
    - Caltrans has the relationships and partners to make things happen. However, they need to identify the firms that need help.
- Discussion #2: What supportive services do SBs need from Caltrans?
  - Dr. Matthew Aijke: SBs need help with bonding. There is still discrimination in construction.
    - David DeLuz: There has been discussion about strategies with other state agencies, public equity firms, banks, and private groups.
  - The ability to read and comprehend varies across entities, which could be a challenge for SBs.
    - Some SBs rely on agencies to help them bid and estimate cost.
  - Fred Jordan: Breaking down the contract would help SBs.
  - Annie Aguiar: Recommends education to small businesses who have not worked with Caltrans. Calmentor is a great program to look into.
  - Another concern is that bigger companies are just valued more – what is needed is to develop a culture with SBs.
    - There is no one size fits all.

- Outreach is needed for SBs to learn more about SB1.
- Information is needed on who received the award on a bid and who did not.
- Small Business Set Aside Program – If Caltrans can identify the right kind of work, they can develop it into a small business development program.
- Discussion will continue in the next meeting. Caltrans will issue strategy prompts to the council for feedback.
  - The prompts are due before the next SBC meeting.

## New Business

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- OCR and DPAC had a discussion about advertising the California State Contracts Register (CSCR).
  - DPAC will issue a policy on SB1 contracts.
  - Everything will be posted on the Cal eProcure website and is available to all firms.
  - Question: Will there be a training session?
    - Yes.
- Shalia Rao Mistry: Can the surveys be more comprehensive? Example: Have more questions and be open-ended?
  - Each question will have the option to be open ended if that's what people want.
- If anyone has any questions that they would like to add to the new survey, they have two weeks to send questions to Norman Tuttle.

## Public Comment

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- Ali
  - SBC meetings need to be more open and allow the general public to participate in the committee meetings.
  - State of California need to adhere to the following codes:
    - Gov Code 4535
    - Gov Code 8605
  - Cal eProcure complaints:
    - Only receive bidding docs.
    - No idea who else is going after the same bids.
    - No information about proposal meetings.
  - Overall, a challenge in the process and the trainings do not help small businesses.
- Eddy Lau
  - Thanked District 10 for hosting the SBC council meeting. This meeting was the first one to take place in Stockton in several years.

## Closing Remarks

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- There were no closing remarks.

## Meeting Adjourned

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- Meeting adjourned at 12:09 p.m.

## Next Meeting

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- May 18<sup>th</sup> and 19<sup>th</sup>, 2023
  - Hybrid meeting – WebEx and District 4 (Oakland)

## Council Members – Roll Call

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- Annie Aguiar – American Public Works Association, San Diego Chapter
- Dr. Matthew Aijke – San Francisco Bay Area Small Business Council
- Julian Canete, California Hispanic Chamber of Commerce
- Derek Carroll – Elite Service Disabled Veteran Owned Business Network,
- Arvin Chaudhary – American Council of Engineering Companies – California,
- Lee Cunningham, Women Construction Owners and Executives, CA Chapter
- Paul Guerrero, La Raza Roundtable de California
- Candace Friedman, Women's Construction Coalition
- Johnathan Hou, Asian Business Community Development
- 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
- Karen Nelson, California Asian Pacific Chamber of Commerce
- Zeke Patten, Black Business Association