SB 1 and SB 103

Small Business Contracting Report

Small Business, Disabled Veteran Business Enterprise, and Disadvantaged Business Enterprise Programs



Caltrans

Report to the Legislature

2025

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(916) 654-2397, TTY 711, or California Department of Transportation, 1120 N Street,
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Executive Summary

The Road Repair and Accountability Act of 2017 **(Senate Bill (SB) 1, Beall, Chapter 5, Statutes of 2017)** generates approximately $54 billion over the initial ten years to improve and maintain California's transportation infrastructure. This funding significantly expanded opportunities for small businesses to contract with the California Department of Transportation (Caltrans). SB 1 required Caltrans to develop an outreach plan by January 1, 2020, to increase by up to 100 percent the dollar value of contracts and procurements awarded to small businesses, Disadvantaged Business Enterprises, and Disabled Veteran Business Enterprises. While the SB1 regulation did not specify a sunset date when the 100 percent attainment was reached, Caltrans remains dedicated to maximizing the utilization of Small Businesses, Disadvantaged Business Enterprises, and Disabled Veteran Business Enterprises. In the 2023-24 fiscal year, despite some fluctuations, significant strides were made toward the goal of increasing contracts and procurements awarded to certified Small Businesses, Disabled Veteran Business Enterprises, and Disadvantaged Business Enterprises.

SB 103 (Committee on Budget and Fiscal Review, Chapter 95, Statutes of 2017).

Section 14110.1, subdivision (a) further requires Caltrans to develop a detailed outreach plan intended to increase procurement opportunities for new and limited contracting small business enterprises, including, but not limited to, those owned by women, minority,disabled veterans, Lesbian, Gay, Bisexual, and Transgender. (Gov. Code, § 14110.1, subd. (a).)

Consistent with the requirements in SB 1 and SB 103, this annual report to the Legislature highlights Caltrans' efforts in awarding contracts to Disabled Veteran Business Enterprises (DVBEs), Disadvantaged Business Enterprises (DBE), women, minority, Lesbian, Gay, Bisexual, and Transgender owned enterprises.

To establish a baseline and measure the objective of increasing the dollar value of contracts and procurements to small businesses, DBE, and DVBE by up to 100 percent, Caltrans chose to use a three-year average of contract awards to the business groups from when SB 1 and SB 103 were chaptered in 2017. Caltrans calculated the baseline using each business group contract awards from fiscal years 2014-15, 2015-16, and 2016-17, and averaged the dollar values as follows:

Table 1. State and Federal Contract/Procurement Awards Compared to Baseline

Certification Type	Baseline from SFY and FFY 2014-17	Contracts and Procurements Dollars Awarded SFY and FFY 2023-24
Small Business (SB)	$426,059,289	$900,041,398
Disabled Veteran Business Enterprise (DVBE)	$50,279,974	$76,938,781
Disadvantaged Business Enterprise (DBE)	$285,091,246	$894,364,188

In state fiscal year (July 1st through June 30th) and federal fiscal year (October 1st through September 30th), certified small businesses, certified DVBEs, and certified DBEs received over 1.8 billion dollars in state and Federal Highway Administration funded Caltrans contracts and procurements.

Table 2 represents the total contract value awarded to disadvantaged groups from State Fiscal Year (SFY) 2020-2021 through SFY 2023-24 and Federal Fiscal Year (FFY) 2020-2021 through FFY 2023-24:

Table 2. Total Contract Value at Award to Disadvantaged Firms, SFY 2020-21 to SFY 2023-24 and FFY 2020-2021 to FFY 2023-24

Fiscal Year State & Federal	Amount Awarded to Small Businesses	Amount Awarded to Disabled Veteran Business Enterprise	Amount Awarded to Dual Certified Disabled Veteran Business Enterprise and Small Businesses	Amount Awarded to Disadvantaged Business Enterprises	Total SB/DVBE/DBE Contract Awards by Caltrans
2020-21	$758,294,689	$21,308,033	$63,173,239	$413,353,684	$1,256,129,645
2021-22	$736,207,296	$1,376,480	$92,453,540	$641,554,252	$1,471,591,567
2022-23	$867,191,738	$4,741,303	$94,667,124	$1,039,193,118	$2,005,793,283
2023-24	$837,606,027	$14,503,410	$62,435,371	$894,364,188	$1,808,908,997

* *Dual certification is defined when firms are both SB and DVBE certified, and the total dollars are counted in both totals. To prevent duplicate counting, dual-certified firm dollars are separated by Small Business, DVBE, and dual-certified firm dollars.*

For SFY 2023-24, Caltrans awarded over $900 million, which includes dual certifications in state-funded contracts to certified small businesses. This is 6.43 percent below SFY 2022-23 and 8.61 percent over SFY 2021-22.

For SFY 2023-24, Caltrans awarded over $76 million in contracts and procurements, which includes dual certifications in state-funded contracts to DVBEs. This is 22.60 percent below SFY 2022-23 and 18 percent below SFY 2021-22.

For FFY 2023-24, Caltrans awarded over $894 million in federally funded contracts to DBEs. This is 13.94 percent below SFY 2022-23 and 39.36 percent over SFY 2021-22.

The following *Charts (A, B, and C)* represent contract awards and projected trends for Small Business, DVBE, and DBE firms.

Chart A. Small Business Contract Awards, SFY 2021-22 to SFY 2023-24

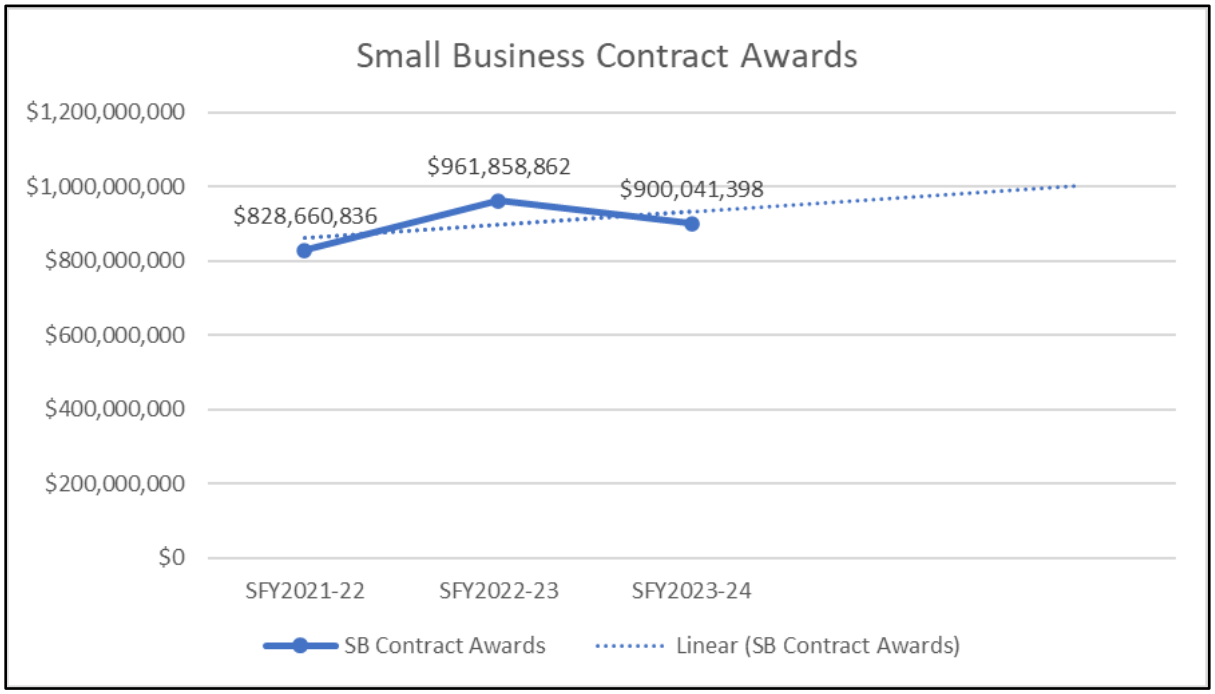


Chart B. Disabled Veteran Business Enterprise Contract Awards, SFY 2021-22 to SFY 2023-24

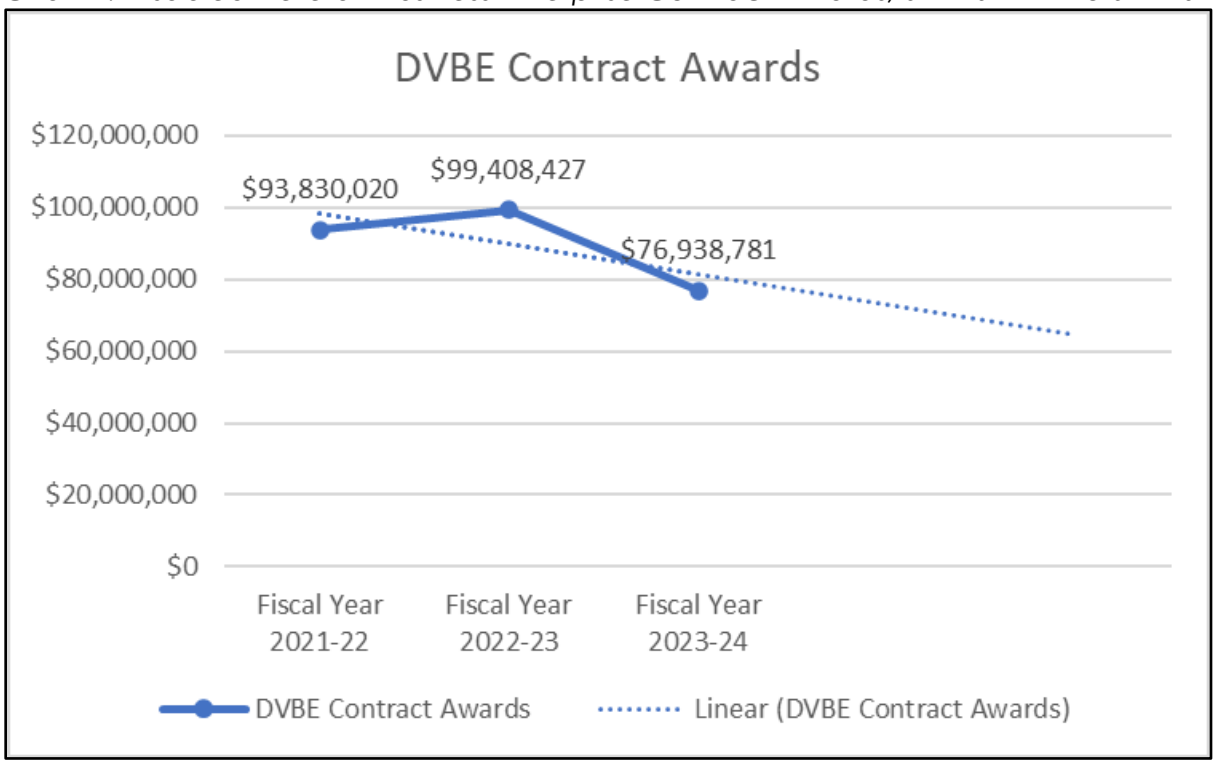
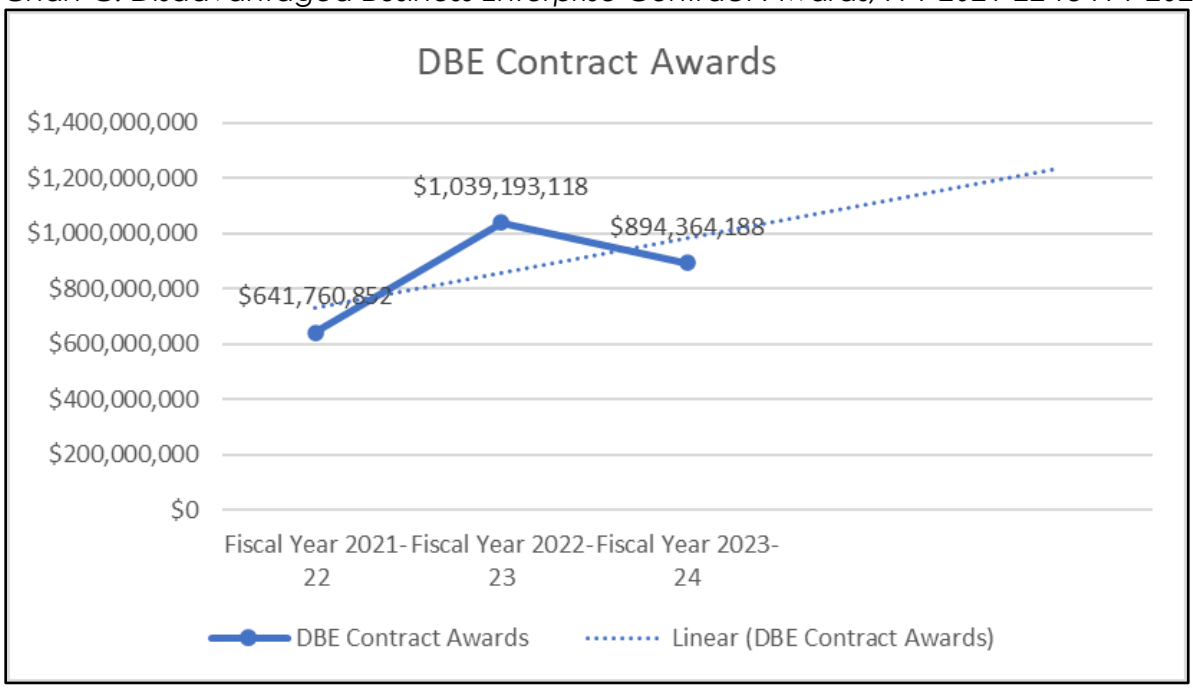


Chart C. Disadvantaged Business Enterprise Contract Awards, FFY 2021-22 to FFY 2023-24



Senate Bills 1 and 103 Annual Small Business Reporting

Consistent with the requirements in SB 1 and SB 103, this annual report to the Legislature represents Caltrans' report on the number of small business groups awarded Caltrans contracts, which includes awards made to women, minorities, Lesbian, Gay, Bisexual and Transgender (LGBT), DVBEs and DBEs.

This report also conveys Caltrans' contract data towards the objective to increase by up to 100 percent the dollar value of contracts and procurements awarded to small Businesses, DVBEs, DBEs including minority and women-owned business enterprises, and LGBT firms.

The tables in this report further address the percentages of entities receiving public contracts from Caltrans, disaggregated by classifications, including the number of new and limited contracting to small businesses, women, minorities, disabled veterans, and LGBT business enterprises, and by contract dollar values.

State Fiscal Year 2023-24 Caltrans Small Business Contract Awards

Caltrans awarded more than $2.5 billion in state-funded contracts. The overall awards to small businesses were $900,041,398 or 35.5 percent, which exceeds the current small business goal of 25 percent.

Table 3 provides an overview of Caltrans contract awards to small businesses for the past five state fiscal years.

Table 3. Small Business Participation in Caltrans State-Funded Contracts

Fiscal Year	Total State Contract Amount Awarded	Amount Awarded to Small Businesses	Small Business Participation Rate	Participation Rate Goal
2019-20	$1,749,137,826	$636,563,008	36.39%	25%
2020-21	$2,127,949,834	$821,467,928	38.60%	25%
2021-22	$2,175,389,041	$828,660,836	38.09%	25%
2022-23	$2,789,806,785	$961,858,862	34.48%	25%
2023-24	$2,535,575,500	$900,041,398	35.50%	25%

SB 1 requires Caltrans to develop a plan to increase the dollar value of contracts and procurements awarded to certified small business firms by up to 100 percent. (Gov. Code, § 14110.)

To establish a baseline to measure the objective of increasing the dollar value of contracts and procurements to the three business categories by up to 100 percent, Caltrans chose to use a three-year average of contract awards to the business categories from when SB 1 and SB 103 were enacted. Caltrans calculated the baseline using each business category's contract awards from SFYs 2014-15, 2015-16, and 2016-17, and averaged the dollar values. The small business contract value baseline was calculated to be $426,059,289.

Table 4 represents Caltrans' efforts to increase by up to 100 percent the dollar value of contracts and procurements awarded to certified small businesses. With the small business baseline at $426,059,289, Caltrans ended SFY 2023-24 achieving 111.25 percent towards the goal of 100 percent in increased small business contract value.

Table 4. State Small Business Contract and Procurement Awards Compared to Baseline

Fiscal Year	Total Awarded Contracts and Procurements	Contracts and Procurements Awarded to Small Businesses	Percentage above or below Baseline (Up to 100%)
Baseline	*$1,258,735,835*	*$426,059,289*	-
2017-18	$1,785,183,219	$509,017,424	19.47%
2018-19	$1,626,453,891	$519,859,358	22.02%
2019-20	$1,749,137,826	$636,563,008	49.41%
2020-21	$2,127,949,834	$821,467,928	92.81%
2021-22	$2,175,389,041	$828,660,836	94.49%
2022-23	$2,789,806,785	$961,858,862	125.76%
2023-24	$2,535,575,500	$900,041,398	111.25%

Table 4 represents the dollar value of contracts and procurements awarded to small businesses from Caltrans' Office of Engineer and Division of Procurement and Contracting. Caltrans has steadily increased the dollar value of awarded procurements and contracts over previous years to achieve a 100 percent increase in awards over the established baseline for small businesses. However, in the most recent year, there was a decrease in the dollar value of these awards.

Government Code Section 14110.2, subdivision (d), requires Caltrans to report on contract awards and disaggregate the awards by contract size categories, as determined by Caltrans. Caltrans has categorized the contracts by size as less than $1 million, $1 to $5 million, and greater than $5 million to show the variation in size awarded to small business firms.

Table 5 represents the number of contracts by size and category awarded to small businesses. In SFY 2023-24, 15,034 (98.97%) of Small Business (SB) contracts were awarded to small businesses with a value of less than $1 million representing 46.69% of the total dollars awarded. In contrast, the "$1 million to $5 million" category, comprised of 133 contracts (0.88% of all awarded contracts), accounted for approximately 32.92% of total SB dollars awarded, while the "Greater than $5 million" category, representing only 0.16% of contracts, contributed 20.39% of the total SB award dollars.

Table 5. Total number of Awards to Small Businesses by Contract and Dollar Amount

State Fiscal Year	Total Value of Contracts Awarded to Small Businesses	Total Number of Contracts	Total Dollar Amount of Contracts by Size of Award Less than $1 million	Number of Contracts by Size of Award Less than $1 million	Total Dollar Amount of Contracts by Size of Award $1 million to $5 million	Number of Contracts by Size of Award $1 million to $5 million	Total Dollar Amount of Contracts by Size of Award Greater than $5 million	Number of Contracts by Size of Award Greater than $5 million
2018-19	$519,859,358	11,894	$261,436,758	11,691	$181,320,661	182	$77,101,939	21
2019-20	$636,563,008	13,105	$251,472,587	12,870	$267,271,055	198	$117,819,367	37
2020-21	$821,467,928	10,475	$287,412,039	10,194	$288,917,764	241	$245,138,124	40
2021-22	$828,660,836	8,360	$323,325,344	8,086	$270,009,129	206	$235,326,364	68
2022-23	$961,858,862	17,559	$431,061,946	17,378	$312,863,951	159	$217,932,964	22
2023-24	$900,041,398	15,191	$420,253,078	15,034	$296,249,734	133	$183,538,587	24

**Total amounts may differ slightly due to rounding*

State Fiscal Year 2023-24 Disabled Veteran Business Enterprise Contract Awards

California's DVBE program (Military and Veterans Code Section 999-999.13) was established to recognize the sacrifices of Californian veterans with service-connected disabilities who also own a business. The program requires all state departments to meet a three percent participation goal for all state contracts

under Military and Veterans Code Section 999.2 and Public Contract Code Section 10115.

The DVBE activity report is shared with the Department of General Services (DGS) for inclusion in the California Annual Consolidated Report. For SFY 2023-24, Caltrans reported to DGS more than $2.5 billion on state-funded contracts. The overall DVBE participation was $76,938,781 or 3 percent, which meets the statewide goal of three percent.

Table 6 represents an overview of Caltrans contract awards to DVBEs for the past five fiscal years.

Table 6. Disabled Veteran Business Enterprise Participation on Caltrans' State Contracts

Fiscal Year	Total State Contract Amounts Awarded	Amounts Awarded to Disabled Veteran Business Enterprises	Disabled Veteran Business Enterprise Participation Rate	Participation Rate Goal
2019-20	$1,749,137,826	$65,773,115	3.76%	3%
2020-21	$2,127,949,834	$84,481,272	3.97%	3%
2021-22	$2,175,389,041	$93,830,020	4.31%	3%
2022-23	$2,789,806,785	$99,408,427	3.56%	3%
2023-24	$2,535,575,500	$76,938,781	3.03%	3%

SB 1 requires Caltrans to develop a plan to increase the dollar value of contracts and procurements awarded to DVBEs by up to 100 percent. (Gov. Code, § 14110.)

To establish a baseline and measure the objective of increasing the dollar value of contracts and procurements to DVBEs by up to 100 percent, Caltrans calculated a three-year average of contract awards to DVBEs from when SB 1 and SB 103 were chaptered in 2017. Caltrans calculated the baseline averaging contract values awarded to DVBEs in SFYs 2014-15, 2015-16, and 2016-17. The DVBE contract value baseline became $50,279,974.

Table 7 represents Caltrans' effort to increase by up to 100 percent the dollar values of contracts and procurements to certified DVBEs. With the DVBE baseline at $50,279,974, Caltrans ended SFY 2023-24 achieving 53.02 percent of the goal of 100 percent in increased DVBE contract awards.

Table 7. Disabled Veteran Business Enterprise Contract and Procurement Awards Compared to Baseline

Fiscal Year	**Total** Awarded Contracts and Procurements	Contracts and Procurements Awarded to Disabled Veteran Business Enterprises	Percentage above or below Baseline (Up to 100%)
Baseline	*$1,258,735,835*	*$50,279,974*	-
2017-18	$1,460,555,537	$87,857,147	74.74%
2018-19	$1,626,453,891	$56,990,131	13.35%
2019-20	$1,749,137,826	$65,773,115	30.81%
2020-21	$2,127,949,834	$84,481,272	68.02%
2021-22	$2,175,389,041	$93,830,020	86.62%
2022-23	$2,789,806,785	$99,408,427	97.71%
2023-24	$2,535,575,500	$76,938,781	53.02%

Pursuant to SB 103, Caltrans is required to report on the contract awards and to disaggregate the awards by contract size categories, as determined by Caltrans. Caltrans has categorized the contracts by size as less than $1 million, $1 to $5 million, and greater than $5 million to show the variation in value awarded to DVBEs. (Gov. Code, § 14110.2, subd. (d).)

Caltrans overall has increased the dollar value of awarded procurements and contracts to achieve a 100 percent increase in awards over the established baseline for DVBEs year over year.

Table 8 represents the DVBE contracts awarded by size, number, contract value, and fiscal year. In SFY 2023-24, 99.6 percent or 1,488 contracts were awarded to DVBEs with a value of less than $1 million.

Table 8. Total number of Awards to Disabled Veteran Business Enterprises by Contract Size

State Fiscal Year	Total Amount of Awarded Contracts to Disable Veteran Business Enterprises	Total Number of Contracts	Number of Contracts by Size of Award Less than $1 million	Number of Contracts by Size of Award $1 million to $5 million	Number of Contracts by Size of Award Greater than $5 million
2019-20	$65,773,115	1,467	1,289	151	27
2020-21	$84,481,272	1,086	852	205	29
2021-22	$93,830,020	1,046	838	159	49
2022-23	$99,408,427	2,098	2,088	10	0
2023-24	$76,938,781	1,493	1,488	5	0

Federal Fiscal Year 2023-24 Federal Funded Contract Awards

A certified DBE is based in part on whether a business is majority-owned by an individual(s) presumed to be socially and economically disadvantaged, including women and minorities, and has a personal net worth of under $1.3 million, as defined in Title 49 Code of Federal Regulations Part 26.

The U.S. Department of Transportation requires Caltrans to report the "federal share" dollar value of Federal Highway Administration (FHWA) contract Awards or Commitments and Payments through the Uniform Report, also known as the semi-annual report. The Uniform Report is prepared for the federal fiscal year, October 1st through September 30th, and represents ***only*** the federal dollars or federal share for contracts awarded. The Uniform Report displays contract awards by prime contract or subcontract commitments to DBEs. Additionally, the Uniform Report displays a breakdown of the awards made by race, ethnicity, and gender. For federal fiscal year 2023-24 (period starting October 1, 2023, through September 30, 2024), Caltrans reported 21.8 percent DBE participation for FHWA federal share-funded contracts.

The overall DBE commitment at award was $894,364,188 or 22.76 percent, which accounts for ***all*** contract dollars awarded regardless of fund type to certified DBE firms. Contract awards include State Highway Account (SHA) and FHWA funding. A contract becomes a federally assisted contract when it is funded in whole or in part with FHWA funding. *Table 9* provides an overview of Caltrans' awards and participation goals for DBE firms for the last six fiscal years.

Table 9. Disadvantaged Business Enterprise Participation in Caltrans' Contract Awards

Federal Fiscal Year	Total Federal Contract Amounts Awarded	Amounts Awarded to Disadvantaged Business Enterprises	Disadvantaged Business Enterprise Participation Rate	Participation Rate Goal
2019-20	$2,504,008,627	$466,211,040	18.62%	17.60%
2020-21	$2,661,451,497	$413,353,684	15.53%	17.60%
2021-22	$3,192,625,570	$641,554,252	20.09%	22.20%
2022-23	$4,652,673,070	$1,039,193,118	22.34%	22.20%
2023-24	$3,929,964,336	$894,364,188	22.76%	22.20%

**Data from the Monthly Commitment at Award Reports – reported in total award dollars and includes all fund types (including state funds which, when combined with federal funds becomes a federally assisted contract").*

- The Federal Fiscal Year column within *Table 9* represents the federal fiscal year (FFY).
- The Federal Contract Amounts Awarded column within *Table 9* represents the total amount in dollars, of contracts awarded, which includes SHA and FHWA dollars.
- The Amounts Awarded to Disadvantaged Business Enterprises column within *Table 9* represents the total contract value awarded to DBEs, including SHA and FHWA dollars.
- The Disadvantaged Enterprises Participation Rate column within *Table 9*, represents the total participation, awarded to DBEs which includes SHA and FHWA dollars.

- The Participation Rate Goal column within *Table 9*, represents the DBE participation goal for each of the respective FFYs.

Government Code Section 14110 requires Caltrans to develop a plan consistent with federal regulations to increase the dollar value of contracts and procurements awarded to DBE firms by up to 100 percent.

To establish a baseline and measure the objective of increasing the dollar value of contracts and procurements by up to 100 percent, Caltrans averaged contract awards from the 2014-15, 2015-16, and 2016-17 FFYs. The DBE baseline is $285,091,246.

Table 10 represents Caltrans' efforts to increase by up to 100 percent the dollar values of contracts and procurements awarded to certified DBE firms. With the DBE baseline at $285,091,246, Caltrans ended FFY 2023-24 achieving 213.71 percent of the goal of 100 percent in increased DBE contract awards.

The below table represents contract awards above or below the 100 percent baseline and projected trends for DBE firms.

Table 10. Disadvantaged Business Enterprise contract data from the DBE Commitment at Award Reports (reported in total award dollars)

Fiscal Year	Total Awarded Federal Contracts	Disadvantaged Business Enterprises	Percentage above or below Baseline (Up to 100%)
Baseline	*$2,302,387,190*	*$285,091,246*	-
2017-18	$2,412,583,327	$356,466,555	25.04%
2018-19	$3,036,790,032	$503,251,051	76.52%
2019-20	$2,504,008,627	$466,211,040	63.53%
2020-21	$2,661,451,497	$413,353,684	44.99%
2021-22	$3,192,625,570	$641,554,252	125.03%
2022-23	$4,652,673,070	$1,039,193,118	264.51%
2023-24	$3,929,964,336	$894,364,188	213.71%

Awards to DBEs have increased by 213.71% above the established baseline, showcasing significant growth despite fluctuations during the pandemic years (FFY 2019-20 and FFY 2020-21). Caltrans remains strongly committed to increasing DBE participation, and with additional funding from the Infrastructure Investment and Jobs Act (IIJA), this positive trend is expected to continue in the coming fiscal years.

Disadvantaged Business Enterprise Contract Size by Race, Ethnicity, and Gender

Table 11 reflects contract commitments to DBE firms in FFY 2023-24 by race, ethnicity, and gender, as defined in Federal Regulations, and further disaggregated by the contract size.

Table 11. Number of Disadvantaged Business Enterprise Contracts Awarded by Contract Size: Federal Fiscal Year 2024

Ethnicity/Race/Gender Category	Number of Contracts by Size of Award Less than $1 million	Number of Contracts by Size of Award $1 million to $5 million	Number of Contracts by Size of Award Greater than $5 million	TOTAL
Ethnicity/Race				
Black American	72	9	4	**85**
Hispanic American	474	89	26	**589**
Native American	62	12	3	**77**
Asian Pacific American	171	22	3	**196**
Subcontinent Asian Americans	85	9	5	**99**
Non Minority Women	384	66	14	**464**
Non Minority Men	2	0	0	**2**
Other	0	0	0	**0**
TOTALS	**1,250**	**207**	**55**	**1,512**
Gender				
Female	627	105	21	**753**
Male	623	102	34	**759**
TOTALS	**1,250**	**207**	**55**	**1,512**

New and Limited Contracting Small Business Enterprise Data

Government Code Section 14110.1, subdivision (g)(1) & (2) requires Caltrans to report on procurement opportunities for new and limited contracting small business enterprises, including, but not limited to, those owned by women, minority, disabled veterans, LGBT, and other disadvantaged groups, in all the department's transportation programs. "Limited contracting small business enterprise" means a certified small business, as defined in Government Code Section 14837, that has received fewer than five public contracts from Caltrans in the previous two years or has received public contracts from Caltrans totaling less than two-hundred fifty thousand dollars ($250,000) in the previous two years. "New small business enterprise" means a certified small business as defined in Government Code Section 14837 that has not received a public contract from Caltrans in the previous two years.

Following SB 103 guidelines, Caltrans establishes the preceding two-year timeframe as the benchmark for collecting data on awards granted in the categories of "limited and new" contracting. Caltrans defined the previous two-year time period as July 1, 2021, through June 30, 2023.

Reviewing awards made in the previous two years, to the state-funded contracts for SFY 2023-24, *Table 12* represents the number of Caltrans' state-funded contracts by limited and new small businesses and total contract amounts awarded to the limited and new firms in SFY 2023-24. Caltrans ended SFY 2023-24 achieving 39.41 percent of new and limited state-funded contracts, 13.58 percent below the previous year's total of 53 percent.

New and limited participation decreased in SFY 2023-24; however, the retention of these firms has remained stable, indicating that many small businesses have successfully graduated from the new and limited classification.

Table 12. Caltrans' State Contracting by Type of Small Business and Total Contract Amounts Awarded to Each Firm

SFY 2021-22

Type of Small Business	Total Amount of Contracts	Percent of Total	Total Number of Firms	Number of Contracts by Size of Award Less than $1 million	Number of Contracts by Size of Award $1 million to $5 million	Number of Contracts by Size of Award Greater than $5 million
New	$270,394,641	32.63%	553	507	34	12
Limited	$275,325,005	33.23%	297	237	46	14
New and Limited	**$545,719,647**	**65.86%**	**850**	**744**	**80**	**26**

SFY 2022-23

Type of Small Business	Total Amount of Contracts	Percent of Total	Total Number of Firms	Number of Contracts by Size of Award Less than $1 million	Number of Contracts by Size of Award $1 million to $5 million	Number of Contracts by Size of Award Greater than $5 million
New	$195,872,390	20.36%	642	605	31	6
Limited	$313,883,707	32.63%	465	405	46	14
New and Limited	**$509,756,097**	**53.00%**	**1107**	**1010**	**77**	**20**

SFY 2023-24

Type of Small Business	Total Amount of Contracts	Percent of Total	Total Number of Firms	Number of Contracts by Size of Award Less than $1 million	Number of Contracts by Size of Award $1 million to $5 million	Number of Contracts by Size of Award Greater than $5 million
New	$132,997,645	14.78%	360	333	24	3
Limited	$221,735,513	24.64%	583	532	44	7
New and Limited	**$354,733,159**	**39.41%**	**943**	**865**	**68**	**10**

Chart D. Caltrans total New and Limited Contract Awards over three years

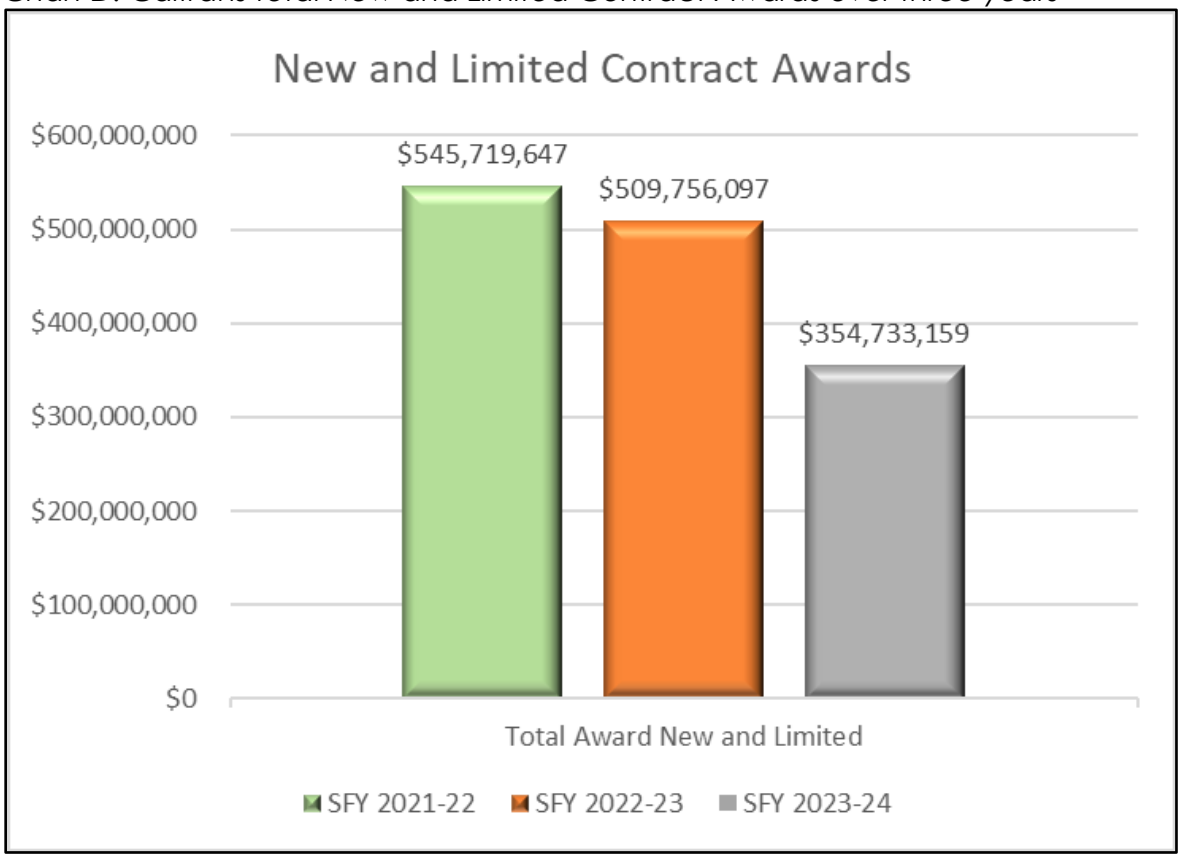


Chart E. Caltrans New and Limited Percent of Total Contract Awards over three years

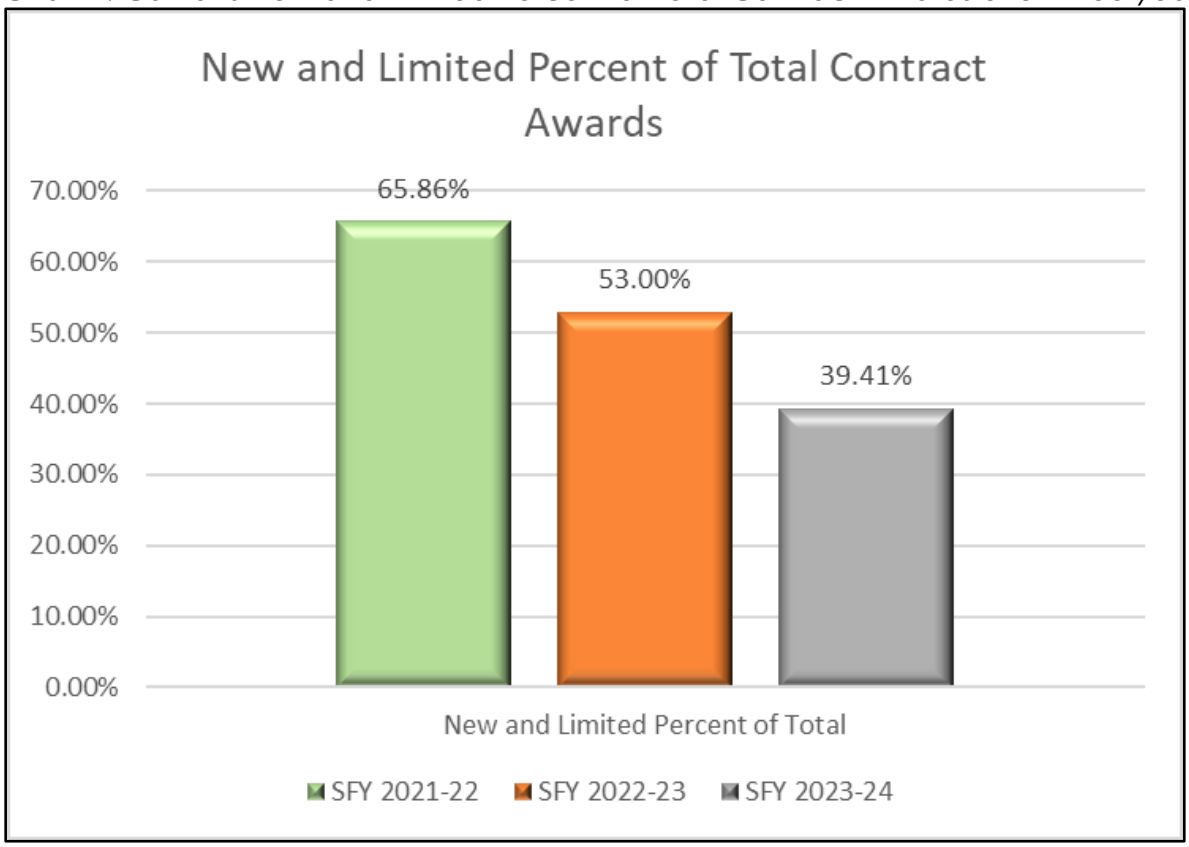
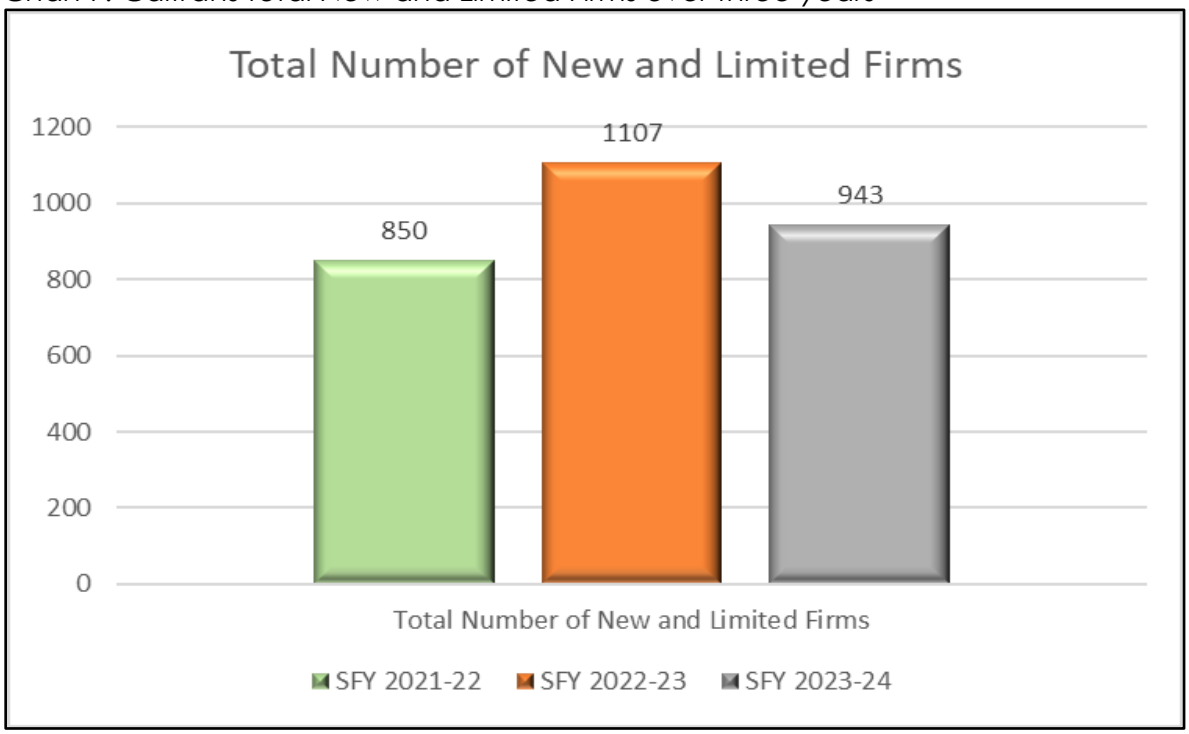


Chart F. Caltrans total New and Limited Firms over three years



Voluntarily Reported State-Funded Contract Data

SB 103 requires Caltrans to collect voluntarily reported data on groups of interest awarded public contracts by the department, including but not limited to women, minorities, LGBT, and disabled veteran business enterprises. (Gov. Code, § 14110.2.)

To report on the additional targeted groups of interest, Caltrans solicited demographic data required under Public Contract Code Section 10111 by providing prime contractors or consultants with a *Voluntary Statistical Data Sheet, ADM-3023*, to be completed and submitted to Caltrans by Prime Contractors.

Submission of demographic information is strictly voluntary. The information collected is anonymous and cannot identify a specific business. Caltrans reports aggregated data from these data sheets annually to DGS.

Businesses are invited to voluntarily disclose their ethnicity, gender, sexual orientation, and gender identity by completing and submitting the ADM-3023 to the Caltrans Office of Civil Rights. 106 forms were returned out of 2,372 forms sent to firms awarded contracts in the state fiscal year 2023-24. The data in *Table 13* demonstrate the voluntary information supplied by contractors.

Caltrans continues to partner with DGS to bring awareness to the Voluntary Statistical Data Sheet (ADM-3023). In addition, Caltrans is looking to automate the contract tracking process to provide a more efficient method of completing documentation within bid packages.

Table 13. Number of State-Funded Contracts Awarded by Contract Size, and Demographic Classification

Voluntary data for State FY 2023-24

Voluntary Business Ownership Identification			
	Voluntary Report on Number of Contracts by Contract Value Less than $1 million	**Voluntary Report on Number of Contracts by Contract Value $1 million to $5 million**	**Voluntary Report on Number of Contracts by Contract Value Greater than $5 million**
Ethnicity/Minority Classification - As defined in PCC Section 2051(c)			
Asian-Indian	4	0	0
Black	0	0	0
Hispanic	20	2	0
Native American	1	0	0
Pacific-Asian	9	0	0
Other	13	0	1
Total	**47**	**2**	**1**
Race Classification - As defined by the Office of Management and Budget, Federal Register Notice, October 30, 1997			
American Indian or Alaska Native	1	0	0
Asian	11	0	0
Black or African American	0	0	0
Native Hawaiian or Pacific Islander	0	0	0
White	60	8	2
Other	4	0	0
Total	**76**	**8**	**2**
Gender			
Female	15	1	0
Male	57	7	2
Transgender	0	0	0
Total	**72**	**8**	**2**
Sexual Orientation - As defined by Public Contract Code 10111(f)			
Lesbian	0	0	0
Gay	0	0	0
Bisexual	1	0	0
Total	**1**	**0**	**0**

Accomplishments and Next Steps

Caltrans' Office of Civil Rights SFY 2023-24 statewide accomplishments included:

- Small business outreach efforts coordinated at a regional and statewide level with external and internal partners.
- Over 519 outreach events collaboratively planned, managed, coordinated, promoted, and hosted using a hybrid (in-person and virtual) platform, reaching a larger audience than traditional in-person events. Based on the data collected within twelve districts over 15,000 participants attended the events.
- An overall total of 217 one-on-one meetings conducted with DBEs, Small, Disabled Veterans, and potentially disadvantaged business enterprise firms. These sessions provided technical/personal assistance, counseling, and advocacy.
- Boot Camp Contract training hosted by Caltrans district offices.
- Successful collaboration between Caltrans and 11 external organizations through Strategic Sponsorship Agreements, amounting to a total of $272,475 in partnerships. In partnership with the California State Universities of Long Beach, Fresno, San Jose, Los Angeles, and Cal Poly Pomona, Caltrans' Office of Civil Rights Small Business and Workforce Development Center administered five National Summer Transportation Institute programs in the Summer of 2023. This is a 500 percent increase from Summer 2022.
- The successful establishment of a 4-Year Strategic Plan to support and deliver Disadvantaged Business Enterprise Supportive Services, On-the-Job Training Supportive Services, and National Summer Transportation Institute programs. The FHWA approved the Strategic Plan in September 2024.
- The Heavy Highway Construction Trades Academy's On-the-Job Training concluded Session Two of its Heavy Equipment Operator Pilot Program for Caltrans District 3 in October 2023. All 20 participants completed the program with a 100% graduation rate across both sessions. The program has demonstrated remarkable success, yielding a total of 40 graduates, of which 24 out of 40 (60%) graduates gained employment in construction trade-related jobs.
- In January 2024, Caltrans procured an agreement with CassCo LLC to conduct a workshop for the Office of Civil Rights and District Small Business Liaisons, identifying barriers facing African American construction firms that bid and contract with Caltrans.
    - In May 2024, CassCo LLC produced their findings and recommendations to Caltrans' executive team, highlighting small business questionnaire responses describing their main barriers to obtaining Caltrans contracts.

- Caltrans implemented a small business goal setting for state-funded, construction-related contracts on January 22, 2024. This initiative is designed to increase the participation of small businesses as required by AB 2019, including those that are racially and economically disadvantaged in construction and professional services. Currently Districts 3, 4, 7, and 11 are implementing a 25 percent goal on selected contracts with scopes that allow for higher levels of small business participation. Although Caltrans is attaining the minimum requirement of 25 percent small business participation on all its projects (SFY23-24 attainment at 35.5 percent), to further boost small business participation, an additional 5 percent goal was applied to all contracts involving California Corporations that do not apply for small business preference or for non-small business preference of 25 percent.
    - In SFY 2023-24, the total number of non-federal aid projects Division of Engineering Services-Office of Engineer with bids opening from January 22, 2024 – July 31, 2024, was 136:
        - 23 contracts were advertised with a 25 percent goal.
            - 21 were awarded and two were canceled.
- In FFY2023-24, Caltrans committed more than $894 million to DBEs, exceeding the Department's triennial DBE goal of 22.76 percent by 0.56 percent.
- In SFY 2019-20, Caltrans established a small business-only Minor B program, currently requiring all public works contracts under $461,000 to be awarded to small business firms (with limited exceptions).
    - Over the past three state fiscal years, Caltrans Minor B contracts have demonstrated variability, with 91 percent of the contracts awarded to small businesses in FFY 2023-24.

Table 14. Minor B, Awards to Small Business, SFY 2021-22 to SFY 2023-24

State Fiscal Year	Contract Amount	Awards to SB ($)	Awards to SB (%)	Delta
2021-22	$65,219,575	$53,354,476	82%	9%
2022-23	$41,347,297	$38,981,462	94%	12%
2023-24	$77,250,627	$70,117,596	91%	-4%

Fiscal Year 2024-25 Statewide Next Steps include:

- Maintaining virtual outreach events utilizing existing Caltrans contractor and procurement presentations.
- Continuing hybrid outreach efforts allowing firms to attend events in-person and virtually.
- Meeting one-on-one with target business groups to better understand challenges in state contracting.

- Meeting one-on-one with prime contractors to encourage greater Small Business, DVBE, and DBE subcontracting opportunities.
- In February 2025, Caltrans will host the fourth annual in-person DBE Summit in Northern California at @The Grounds in Roseville, CA.
- Partnering with small business development centers to provide business development assistance to the target interest businesses.
- Partnering with local district small business liaisons to promote pre-bids statewide.
- Utilizing outreach contracts to target firms that may potentially be eligible for small business, DBE, and DVBE certification and assist the target firms with completing the certification(s) process to increase the number of small business/DBE/DVBE certified firms.
- Hosting the Fifth Annual DBE Summit in the Central Valley (Fresno).
- The Heavy Equipment Operators/Heavy Highway Construction Trades Academy's On-the-Job Training Supportive Services Program is expanding across the state. The contract was finalized in November 2024 to deliver a total of nine training sessions, with three sessions held in each Caltrans region: Northern, Central, and Southern. A total of 180 participants will be trained. The first session is scheduled to begin on January 13, 2025, in Rancho Cucamonga, CA.
- In October of 2024, the Caltrans FY24 Highway Construction Training Program application was selected for an award in the amount of $237,568 to establish a future Welding Program in partnership with the California Prison Industry Authority. This program aims to provide valuable training opportunities for individuals currently incarcerated, as well as those who have previously been incarcerated, facilitating their re-entry into the workforce.
- The Small Business Development Branch secured three years of FHWA funding ($3,135,125.72) to develop and administer the DBE Supportive Services Business Development Program.
    - As of November 2024, the Small Business Development Branch assisted a total of 48 DBE firms and 13 Certified Small Businesses with direct inquiries.
    - As of November 2024, 106 small businesses have opted into our mass notification system that allows them to receive regular updates ranging from weekly notifications on contract opportunities to monthly quick tips and upcoming events throughout the state. A total of 3,218 messages have been sent out.
    - As of November 2024, the Small Business Development Branch has sent 4,636 communications to prospective DBE firms with matching North American Industry Classification System (NAICS), notifying them of 16 upcoming contracting opportunities.

In compliance with SB 103 at Government Code Section 10140(c)(2), Caltrans will continue to pursue publications targeting under-represented communities and socially and economically disadvantaged groups. With the constraints of the current state budget, the projected spending for SB 103 advertising publications through SFY 2024-2025 needs to be determined to ensure proper stewardship of state funds.

Caltrans is in the process of finalizing an exemption policy by Assembly Bill (AB) 2974 (Committee on Jobs, Economic Development, and the Economy, Chapter 600, Statutes of 2022) related to the Small Business Procurement and Contract Act for Federal IIJA funding. While AB 2974 applies a 25 percent small business inclusion goal to certain infrastructure contracts funded through the IIJA, it is important to note that federal allocations via the IIJA or Bipartisan Infrastructure Law (BIL) are not subject to local requirements, and therefore cannot have a mandatory 25 percent goal applied to them. The next steps involve defining clear criteria and establishing circumstances under which specific contracts may be exempt from the 25 percent small business goal, ensuring compliance with both federal guidelines and the provisions of AB 2974.

Conclusion

In SFY and FFY 2023-24, certified small businesses, certified DVBEs, and certified DBEs received over $1.8 billion in state- and federal-funded Caltrans contracts and procurements.

Caltrans continues its efforts to provide leadership in the area of small business contracting, particularly as it pertains to DVBE, women-owned, minority-owned, and LGBTQ-owned firms. While Caltrans is on the verge of achieving its goal of increasing contracting to small businesses by up to 100 percent as mandated in SB 1 (2017), Caltrans recognizes the need to continue growing and improving our efforts at outreach and engagement to reach a broad array of firms and identifying new and limited contracting firms who, if properly supported, could also successfully contribute to fulfilling the Caltrans mission of improving lives and communities through transportation.

Appendix A. Statutory Reporting Reference

GOVERNMENT CODE – GOV
TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA
DIVISION 3. EXECUTIVE DEPARTMENT
PART 5. DEPARTMENT OF TRANSPORTATION
CHAPTER 2. POWERS AND DUTIES
ARTICLE 1. GENERAL

14110.1. (a) (1) The department shall develop and submit to the Legislature, by January 1, 2019, a detailed outreach plan intended to increase procurement opportunities for new and limited contracting small business enterprises, including, but not limited to, those owned by women, minority, disabled veterans, LGBT, and other disadvantaged groups, in all the department's transportation programs, including, but not limited to, state road repairs, bridge repair and maintenance, trade corridors, congestion commute corridors, and local partnerships.

(2) The department shall update the outreach plan based on the outcome of any disparity study undertaken every three years as part of the federal Disadvantaged Business Enterprise Program (Part 26 of Title 49 of the Code of Federal Regulations).

(b) The department shall undertake all of the following outreach activities, which shall be included in the plan:

(1) Sponsor, fund, or partner with apprenticeship programs, including those engaged in specific efforts to increase participation in the transportation construction industry of all groups, including, but not limited to, women, minorities, LGBT, disabled veterans, disadvantaged youth, and formerly incarcerated individuals.

(2) Host, fund, or partner with organizations that host workshops, training classes, and other activities around the state focused on opportunities to contract with the department. Contracting opportunities discussed may include, but shall not be limited to, construction, communication, and consulting services in the areas of engineering, environmental, and surveying services.

(3) Sponsor meetings to introduce prime contractors to new and limited contracting small business enterprises, including, but not limited to, those owned by women, minority, disabled veterans, LGBT, and other disadvantaged groups.

(4) Sponsor opportunities, including, but not limited to, pre-bid meetings and the department's Calmentor program, to increase contacts between prime contractors and new and limited contracting small business enterprises, including, but not limited to, those owned by women, minority, disabled veterans, LGBT, and other disadvantaged groups.

(5) Partner with organizations representing persons and business enterprises from underrepresented groups, including, but not limited to, women, minority, disabled veterans, LGBT, and other disadvantaged groups, in a manner that will inform members of these organizations on opportunities to participate in transportation contracts.

(c) By January 1, 2019, the department shall submit the outreach plan prepared pursuant to paragraph (1) of subdivision (a), and each update thereafter, to the California Legislative Black Caucus, California Latino Legislative Caucus, California Asian Pacific Islander Legislative Caucus, California Legislative Lesbian, Gay, Bisexual, and Transgender Caucus, and California Legislative Women's Caucus.

(d) The department shall annually report to the Legislature, pursuant to Section 14110.2, the percentages of entities receiving public contracts from the department, disaggregated by classifications, including, but not limited to, new and limited contracting enterprises, and women, minority, disabled veteran, and LGBT business enterprises, and further disaggregated within each of these classifications by contract size categories, as determined by the department.

(e) All reports to the Legislature required by this section shall be submitted in conformance with Section 9795.

(f) The Inspector General of the Independent Office of Audits and Investigations shall review, audit, and report on the department's outreach efforts required by this section. In addition, the Inspector General shall audit businesses as appropriate to ensure that persons associated with entities that do not meet the definition of a new or limited contracting small business enterprise do not create a new associated entity that would meet the definition of a new or limited contracting small business enterprise and thereby subvert the purposes of this section.

(g) For purposes of this section, the following terms have the following meanings:

(1) "Limited contracting small business enterprise" means a certified small business, as defined in Section 14837, that has received fewer than five public contracts from the department in the previous two years or has received public contracts from the department totaling less than two hundred fifty thousand dollars ($250,000) in the previous two years.

(2) "New small business enterprise" means a certified small business, as defined in Section 14837, that has not received a public contract from the department in the previous two years.

14110.2 (a) The department shall collect voluntarily reported data on groups of interest awarded public contracts by the department, including, but not limited to, women, minority, LGBT, and disabled veteran business enterprises.

(b) The department shall report the information collected pursuant to subdivision (a) annually to the Legislature in conformance with Section 9795.