



PAVING YOUR ROAD TO
SUCCESS WITH CALTRANS:

**BONDING,
ESTIMATING, AND
LABOR COMPLIANCE
FOR
SUBCONTRACTORS**

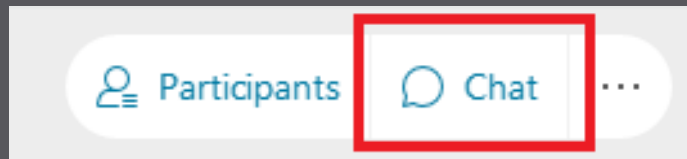




Using the Chat and Q&A Features in WebEx

To send a chat message:

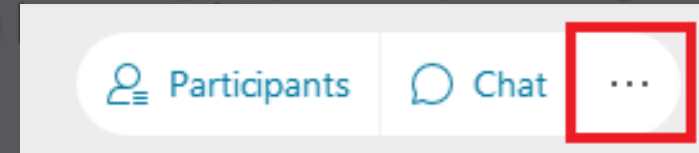
1. Open the Chat panel in the lower right corner:



2. In the Send to or To drop-down list, select the recipient of the message.
3. Enter your message in the chat text box, then press Enter on your keyboard.

To submit a question via the Q&A Panel:

1. Open the Q&A panel by clicking the "..."



2. Click in the drop-down menu and select "All Cohost" as the recipient of the question.
3. Enter your question in the text box and press Enter on your keyboard.

*** Be sure to indicate if you would prefer to have our moderators ask your question, or if you'd like to be unmuted to ask yourself.*



Title VI of the Civil Rights Act of 1964, prohibits discrimination based upon race, color, and national origin. Specifically, 42 USC 2000d states that “No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

<https://dot.ca.gov/-/media/dot-media/programs/civil-rights/documents/title-vi/caltrans-non-discrimination-policy-statement-a11y.pdf>



Department Mission:
**Provide a safe and reliable transportation network
that serves all people and respects the environment.**

- Over 50,000 miles of state highway & freeway lanes managed, developed, and maintained, connecting local systems and neighborhoods
- Managing major inter-city rail services
- Permitting for over 400 public-use airports & heliports
- The scope of this mission is too great for us to handle alone
- Our department depends on our private contracting partners to fulfill our mission & project goals



Objectives

- **Certification:** SB, SB-PW, DVBE and DBE
- **Department of Industrial Relations:** Registration for Public Works
- **Building your Bonding Program:** Empowering for new revenue streams
- **Estimating Best Practices:** Focusing your efforts to improve winning contracts
- **Marketing your Business:** Outreach to build partnerships
- **Labor Compliance:** Requirements you'll need to know to be successful
- **Construction Site Best Practices:** Safety, Weekly Team Meetings, Communication



SMALL BUSINESS CERTIFICATION





Certifications Recognized by Caltrans

State Funded Projects

(When project funding is ONLY state dollars)

Small Business (SB)/Small Business - Public Works (SBPW)

25% Goal

Disabled Veteran Business Enterprise (DVBE)

5% Goal

Federally Funded Projects

(When projects have ANY AMOUNT of federal dollars)

Disadvantaged Business Enterprise (DBE)

22.2% Goal



DEPARTMENT OF INDUSTRIAL RELATIONS (DIR)





Department of Industrial Relations (DIR)

- Registration for all public works firms
- Mandatory registration with DIR as of April 1, 2015
- Required registration before bidding
- \$400 Annual fee
- Annual registration required on July 1st
- Online application: <https://www.dir.ca.gov/Public-Works/Contractor-Registration.html>



DIR Requirements

- Maintain worker's compensation
- Hire only DIR registered public works subcontractors
- Have Contractors State License board License
- Not debarred
- No delinquent assessments



DIR Website

CA .GOV State of California Department of Industrial Relations Press room Índice en español Settings

Home Labor Law Cal/OSHA - Safety & Health Workers' Comp Self Insurance Apprenticeship Director's Office Boards Search

[Public Works](#) | [Public Works Contractors](#) | Contractor Registration

Contractor Registration

Who Is Eligible to Register?

Contractors must meet the following requirements to register:

- Have workers' compensation coverage for any employees and only use subcontractors who are registered public works contractors.
- Have Contractors State License Board license if applicable to trade.
- Not have any delinquent unpaid wage or penalty assessments owed to any employee or enforcement agency.
- Not be under federal or [state debarment](#).
- Not be in prior violation of this registration requirement once it becomes effective. However, for the first violation in a 12-month period, a contractor may still qualify for registration by paying an additional penalty.

[Register or Renew](#)

Public works contractors can register or renew for one, two, or three fiscal years (July 1-June 30) for a fee of \$400, \$800 or \$1,200

Links

- ▶ [Summary of Skilled and Trained Workforce \("STW"\) Statutes](#)
- ▶ [Frequently Asked Questions on Skilled and Trained Workforce \("STW"\) Requirements](#)
- ▶ [Awarding Bodies](#)
- ▶ [Contractors](#)
- ▶ [Apprenticeship Requirements](#)
- ▶ [Certified Payroll Reporting](#)
- ▶ [Enforcement of Public Works Law](#)
- ▶ [Labor Compliance Programs](#)
- ▶ [Prevailing Wage Requirements](#)

Need Help?



BUILDING YOUR BONDING PROGRAM





Introduction to the Process

- Bonds are required on public works projects by law.
- Getting bonded is not like buying insurance.
- The contractor (and the project) must qualify for bonding.
- The qualification process is similar to qualifying for a bank loan. Being a contractor that does “great” work is not enough.

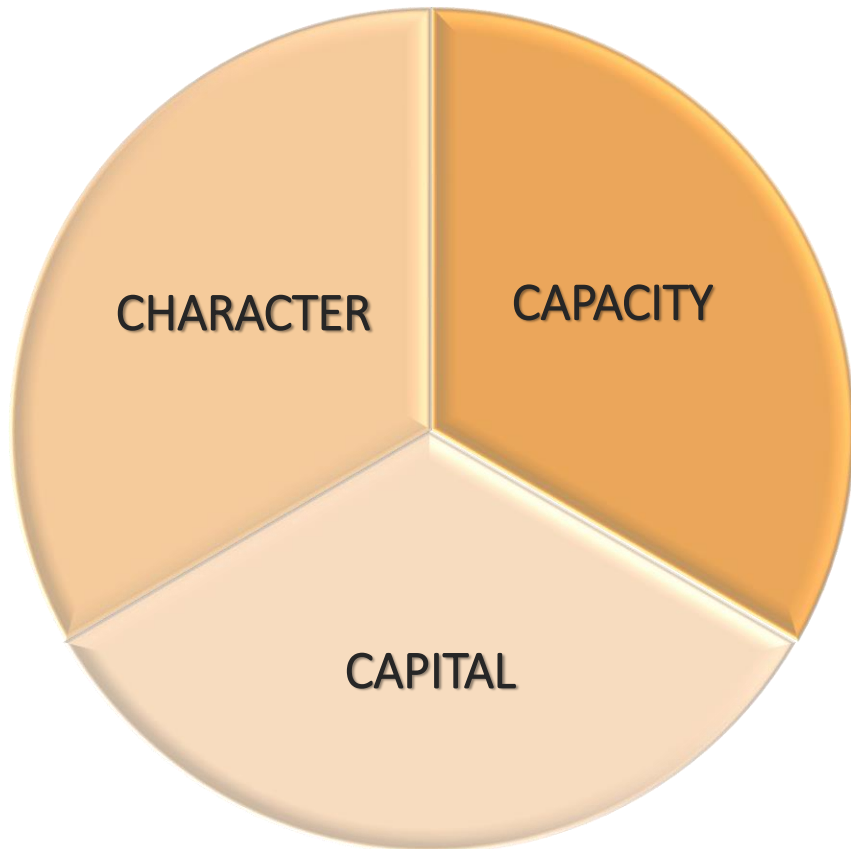


Introduction to the Process

- Be prepared to disclose both business and personal information. (Transparency is required.)
- Indemnification is required.
- Your surety agent should become one of your trusted business advisers.
- Bonds protect your clients and taxpayers. They do not protect you.



Bond Prequalification



Decisions to bond contractors are based on favorable assessments of contractors'

Character,
Capacity, and
Capital.

The 3 C's of Surety



Three C's

Character	Capacity	Capital
Reputation	Company history	Working capital
Honesty and integrity	Technical skill	Net worth
Supplier references	Job references	Profitability
Subcontractor references	Equipment	Financial presentation
Bank references	Systems/ cost reporting	Line of credit
Personal credit	Backlog compatibility	Cash flow
Business credit	Experience: size, scope, territory	Debt obligations
Communication with partners	Personnel: management and labor	
License check	Contract/ bond form review	



Start Building Your Bonding Program

Where to start?

- Your Friends in Contracting
- Builders Exchange
- Prime Contracting Partners
- A quick Google Search





ESTIMATING BEST PRACTICES





Estimating Process

- Prepare your estimate early
- Perform job site analysis
- Unit pricing
- Determine overhead cost
- Determine equipment and labor cost
- Unit price spreadsheet
- Follow the format of owners bid schedule
- Distribution and cost of general conditions
- Bond and insurance costs
- Understand the schedule requirements for the project
- Quantity take-offs
- Check the accuracy of the engineer's quantities



Things to DO!

01

Communicate with the Estimating Team prior to the bid day

Discuss project schedule and team abilities at the expected time of performance

Be honest with your ability to perform

Once awarded a project, attend the Project Schedule/Team Meetings



Scope Letter - Assemble a Complete Bid Package

- Talk to the Prime Contractor about your capabilities and scope of work
- Large projects may be complicated
- Clearly define what work you propose to perform
- Send out your scope letter early





Scope Letter - Identify Your Company Completely

- DBE, DVBE, SB, SB-PW:
Certification status and number
- Contractor license number
- DIR number
- Full company name, contact person, phone number and email





Scope Letter - Keep Your Scope Letter to the Point

- Be clear, provide all the bid items you propose to perform
- Do not add conditions or exclusions that would not apply to the job
- Send to the Prime Contractor 2-3 days prior to the actual bid date, if not sooner





Bidding Formats - Understand Caltrans and the Prime Contractor's Requirements for Bidding

01

Be familiar with the bidding documents

Use owner's bid schedule

Only list a mobilization bid item if it appears on the Owner's schedule

Understand the Units of Measure for the bid items

- Do not quote lump sum for a bid item that is provided with a unit of measure and an estimated quantity



Bidding Formats - If Your Bid Does Not Follow the Bid Schedule Format

- You may have the low price, but the bid estimator may not be able to determine what bid items are covered by your proposal
- This may lead to a delay in the quote review process and your proposal may be invalidated





Mistakes

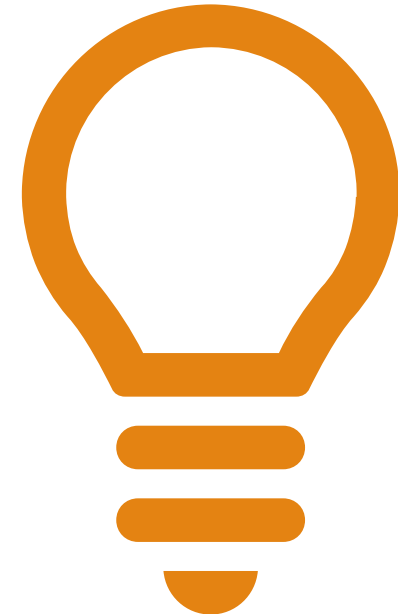
- **DO NOT** - Call the estimating staff on bid day with complicated or lengthy questions about the project
- **DO NOT** - Wait until the last hours to call in/FAX/Email your final pricing
- **DO NOT** - Wait until the end to understand the Bonding and Insurance requirements
- **DO NOT** - Be “unavailable” on bid day





Tips

- DO - Ask questions about the project and your scope 3-10 days prior to bid day
- DO - Submit your scope at least a day prior to bid day and the price at least two hours before the bid due time
- DO - Understand the projects insurance requirements and provide your bond rate along with the quote
- DO - Prepare contact information for the person who prepared the quote





MARKETING YOUR BUSINESS FOR SUCCESS





Capability Statements

- Name and company branding, slogan (if any)
- Business Overview
- Contact Info
- Core Competencies
- Company Certifications
- Differentiators
- Past Performance
- UNSPSC Codes and NAICS Codes





Networking

- Caltrans Events Calendar :
- <https://dot.ca.gov/programs/civil-rights/caltrans-events-calendar>
- In Person and Online Events
- Date, Time, Location, and Summary of Event





Study the Market

- Know your competition
- Know what is being purchased and sold
- Know service/item cost
- Review Past Purchases





LABOR COMPLIANCE





Labor Compliance

These are the topics to fully understand before getting involved in Caltrans contracting:

Prevailing Wage Laws & Regulations

Covered and Non-Covered Work

Wage Determination & Classifications

Federal Wage Determination

Payroll Submission

Apprentice & Trainee Labor Law



SUBCONTRACTING BEST PRACTICES

Being a responsible partner












Project Site Basics

- Be familiar with Primes Injury/Illness Prevention Program
- Let Primes know you'd like to attend weekly meetings
- Comply with occupational safety and health standards, rules, regulations, and orders.
- You are responsible to provide for public safety



Job Site Weekly Meeting

- ✓ Review of schedule for the next two weeks
-  Status of submittals – Required documentation for work to be authorized to proceed
-  Request for Information – Understanding contract document
-  Material Authorizations – Approved materials and supplies by Caltrans (Form 3101)
-  Stormwater compliance – Best Management Practices (BMP)
-  Payment - Proper payment for completed work
-  Quantities – Agreement on item quantity
-  Discuss open issues – Anything that pertains to the project and current issues



FREQUENTLY ASKED QUESTIONS (FAQ)





I still have a number of questions about how to proceed in the contracting process, what should I do?

Register for a 1:1 meeting with your local District Small Business Liaison to help you through the process.

I need to better understand where to start with creating an effective bid, who should I talk to?

Reach out to your contracting friends, Prime Contractors or PTAC's for assistance in developing properly formatted estimates.

You said there was a lot to learn about Caltrans Labor Compliance, where do I learn more?

Caltrans offers a number of Labor Compliance workshops throughout the year, make sure to sign up when you see them available or call your local DSBL to see if they can help schedule one to get you involved in.



RESOURCES





General Resources

- Caltrans Website
<https://dot.ca.gov/>
- Office of Civil Rights Website
<https://dot.ca.gov/programs/civil%20rights>
- Outreach Events Calendar
<https://dot.ca.gov/programs/civil-rights/caltrans-events-calendar>
- Contractor's Corner
<http://ppmoe.dot.ca.gov/des/oe/contractor-info.html>
- Cal eProcure – California's Online Marketplace
<https://caleprocure.ca.gov/pages/index.aspx>



Q & A Session





District Small Business Liaisons (DSBL)



DSBL Contact List:

<https://dot.ca.gov/programs/civil-rights/dsbl-contact-list>

Located in all 12 districts

Primary contact for small business-related concerns

- Information about Small Business (SB), Disabled Veteran Business Enterprise (DVBE), and Disadvantaged Business Enterprise (DBE) certification and programs

Outreach

- Community events and activities
- Education regarding how to work with Caltrans
- Provide 1:1 technical assistance to firms

Advocacy services

- Concerns and complaints



Districts & Counties

[District-1](#) - Eureka (Del Norte, Humboldt, Lake, and Mendocino)

[District-2](#) - Redding (Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama, Butte, and Trinity)

[District-3](#) - Marysville/Sacramento (Butte, Colusa, El Dorado, Glenn, Nevada, Placer, Sacramento, Sierra, Sutter, Yolo, and Yuba)

[District-4](#) - Bay Area/Oakland (Sonoma, Napa, Solano, Marin, San Francisco, Contra Costa, Alameda, San Mateo, and Santa Clara)

[District-5](#) - San Luis Obispo/Santa Barbara (Santa Barbara, San Luis Obispo, Monterey, San Benito and Santa Cruz)



[District-6](#) - Fresno/Bakersfield (Madera, Fresno, Tulare, Kings, Kern)

[District-7](#) - Los Angeles (Los Angeles and Ventura)

[District-8](#) - San Bernardino/Riverside (Riverside and San Bernardino)

[District-9](#) - Bishop (Inyo, Mono, and eastern Kern)

[District-10](#) - Stockton (Alpine, Amador, Calaveras, Mariposa, Merced, San Joaquin, Stanislaus and Tuolumne)

[District-11](#) - San Diego (San Diego and Imperial)

[District-12](#) - Santa Ana (Orange)

Thank you!

For questions or additional information, please contact your local DSBL.

