



NEWS RELEASE

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FOR IMMEDIATE RELEASE

CALTRANS AND CONTRACTORS' ASSOCIATION COMMIT TO BUSINESS PROGRAM FOR EFFICIENT BIDDING, SMALL BUSINESS PARTICIPATION Hold Charter Signing for Launch of Mentor Protégé Program

Treasure Island –State officials and representatives from the Associated General Contractors of California, eight mentor companies and 13 protégé companies signed a charter today at Treasure Island for the official launch of the Mentor Protégé Program for Construction.

The program is another step in the State of California's effort to implement the Governor's Executive Order No. S-11-06 and increase the participation of Small Business Enterprise (SBE) firms and Disadvantaged Business Enterprises (DBE) in the procurement and contracting of public works projects. Large firms are paired with small firms to assure good working relationships, proper state certification and successful competition in winning bids from public agencies. Work on the Mentor-Protégé program for the construction industry has been ongoing as a pilot between Caltrans District 4 and the local district office of AGC of California, Inc. The aim is to eventually implement this program statewide.

"In these tough economic times," said Secretary for the Business Transportation and Housing Agency Dale Bonner, "it is important for Californians to realize that their leaders in state government are doing everything we can to help maintain our current workforce and create new jobs."

Recently Caltrans obligated \$1 billion in American Recovery and Reinvestment Act funds to nearly 80 transportation infrastructure projects statewide in less than 60 days – two months ahead of schedule. California is the first state in the nation to obligate \$1 billion of this funding. The first project in the state to put these funds to pavement is the \$16.5 million paving job in Fairfield, which broke ground on April 30.

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“We need more small business contractors who can successfully bid for and complete projects,” said Caltrans Director Will Kempton. “It’s just good business in this state and in this economic climate to have all contractors working, large and small. And mentoring is a good way to make sure that all of them stay competitive.”

In October 2008, about 400 letters and applications were mailed to potential protégé firms. The applications were screened by a steering committee, and 20 protégé firms were invited to an event where they could meet prospective contractors. In November Caltrans held a mentor-protégé pairing event in Oakland. Out of the 20 protégé firms invited to attend, 15 protégé firms were paired with the available mentor firms.

The charter signing today affirms the commitment of the mentor and protégé companies to continue in their partnerships. Public works construction can be complex and potentially risky for small firms that are trying to enter the sector. Studies show that firms participating in a mentor-protégé program are much more likely to succeed.

An effective mentor-protégé program is another tool in the state’s toolkit to help ensure that there is the broadest participation possible in public works construction. There is potential benefit to the public through more competition for public works projects and potentially lower prices.

The current co-chairman of the Mentor-Protégé Steering Committee, Miguel Galarza, was once a protégé and is now serving as a mentor. His company, Yerba Buena Engineering and Construction, Inc., recently won a bid against the company that mentored him.

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