



D4 Small Business Council Meeting Minutes

DATE: 03/14/08

TIME: 1:00 – 2:30pm

LOCATION: District 4, Executive Conference Room, 15-240
111 Grand Ave., Oakland, CA

D4 CALTRANS STAFF PRESENT

Dan McElhinney, Chief Deputy District Director
Tony Anziano, Toll Bridge Program Manager
Lenka Culik-Caro, DDD, Design
Lee Taubeneck, DDD, Planning & Local Assist
Larry McPeak, DDD, Maintenance (Acting)
Dan Hess, DDD, Administration
Bob Finney, DDD, Construction
Skip Sowko, District Division Chief, Design So.
Stanley Ng, Branch Chief, Maintenance Services
Trinity Nguyen, Chief, Consultant Services Unit
Brian White, Office Chief, Business Management
George Crosby, Small Business Liaison
Kim Byrne, Office of Business Management
Adriana Harris, Small Business Branch
Osayahde Nesbitt, Small Business Branch

HQ & AGENCY STAFF PRESENT

Olivia Fonseca, Deputy Director, HQ Civil Rights
(via telephone)

COUNCIL MEMBERS PRESENT

Arvin Chaudhary, CELSOC
Jesus Vargas, Hispanic Chamber of Commerce
Eddy Lau, Asian American Architects & Engineers
Leslie Sakai, Asian American Architects & Engineers
Paul Guerrero, California Small Business Entrepreneurs
Diana LaCome, National Concilio of America

GUESTS

Ming-Chen Yu, Asian American Architects & Engineers

I. Introductions

Chief Deputy District Director McElhinney chaired the March meeting of the District 4 Small Business Council. He extended District Director Sartipi's regrets that he had to miss today's meeting because he was attending the Route 4 Ribbon-Cutting. Before the introductions, Mr. McElhinney noted that the SBC schedule had been revised on February 8th so that most meetings would be on Wednesdays, with only three on Fridays. Mr. Guerrero asked that, before any changes are made to the schedule, the SBC members be consulted. Mr. White explained that any deviations from the usual Wednesday meeting day had been made to accommodate both Mr. Sartipi's schedule and the availability of the SBC members. Mr. McElhinney said that the subject of the SBC schedule would be taken up again at the end of the meeting. Then, Mr. McElhinney welcomed everyone, and the meeting attendees introduced themselves. Mr. McElhinney drew the council's attention to the 'What's New' flyer in the meeting folder announcing Mr. Crosby's promotion to Small Business Liaison and supervisor of the District's Small Business program. Mr. McElhinney announced two upcoming events: the "Connect With US 2008 Business Forum" on March 24th in Los Angeles and the "SFMTA Networking Event" on March 25th in San Francisco. Mr.

McElhinney asked Ms. Fonseca to give an overall update on the Small Business program. Ms. Fonseca reminded the council that there would be a statewide SBC meeting next week. She drew the council's attention to information on the Civil Rights webpage related to DBE program goals and methodology that would also be included in the statewide meeting packet next week. Because the statewide council is using email more often as a form of communication with SBC members about outreaches and mandatory pre-bids, Ms. Fonseca asked that the SBC members disseminate this information to their respective organization members.

II. Approval of November Minutes

January 8, 2008 Meeting Minutes:

Motion: Mr. Chaudhary; Second: Mr. Vargas; Opposed: None; Approved: By consensus.

III. District 4 Updates

Design Update:

Ms. Culik-Caro referred to the spreadsheet "Proposed Minor B Projects for Small Business, FY 07/08" to update the council on this topic. She drew the council's attention to the "Caltrans Comments" column that shows the number of contractors contacted and the number provided with bid packages. She emphasized that the Division of Design has been expending a lot of effort in contacting potential contractors. Mr. Guerrero reminded attendees of the increase in the cap on Minor B projects to \$147,000. He also suggested that the "Proposed Minor B Projects for Small Business" report be made public by posting it on the internet to inform interested bidders. Ms. Culik-Caro pointed out that because [the D4 process] is unique the council may want to think about [posting the "Proposed Minor B Projects" report on the internet] some more. Mr. Vargas expressed a reservation about making the "proposed estimate" portion of the "Proposed Minor B Projects" report public. Mr. Guerrero said that the proposed estimate would not have to be made public; however, engineers' estimates are often included in contracts put out to bid by agencies, and it doesn't mean anything anyway. He re-emphasized that it is important to make small businesses aware of what work is available. Mr. Finney suggested that the "Proposed Minor B Projects" report be posted on the "Upcoming Work" page of D4's website [<http://www.dot.ca.gov/dist4/smallbusiness/upcomingwork.htm>]. Ms. Fonseca complemented Mr. Guerrero on his advocacy for small businesses working with Caltrans.

Construction Update:

Mr. Finney referred to the spreadsheets "Forecast of Upcoming Construction Projects in District 4" and "Awarded Projects in District 4" to update the council on this topic. He noted that contract #0A5311 had advertised on 3/10 and would have a mandatory small business outreach. He informed the council that the bid opening date for contract #1706U1 had been amended to 5/14 and this contract also would have a mandatory outreach. He highlighted that contract #4C1521 has a DVBE (Thomas & Pratt) as a sub-contractor. Mr. Finney asked Mr. White to announce two upcoming D4 small business outreaches: the mandatory outreach for the Solano-80 HOV Lane contract on 4/7 and the outreach for 37 projects estimated at \$700 million on 4/11. At Mr. McElhinney's request, Mr. White briefed the council on recent small business outreaches. Mr. White said that they have been successful, averaging 50-100 attendees each, and photos from these events could be viewed on the D4 Small Business website [<http://www.dot.ca.gov/dist4/smallbusiness/>]. He noted that the most recent outreaches were for the Fourth Bore of the Caldecott Tunnel project and the 5th Avenue Seismic Retrofit. Mr. McElhinney pointed out that the Caldecott outreach was unique in that it was held a year before start of construction. Mr. White added that the outreach targeted the sub-contractors to help them find out how to get business with Caltrans and how to get certified and featured a presentation by a small business contractor who had been

successful in securing prime-contractor work with Caltrans. Mr. Finney added that the format of the Caldecott outreach was influenced by feedback he received from prime-contractors who had asked that sub-contractors receive more advanced notice of upcoming projects. Mr. Guerrero suggested that Caltrans report not just the number of attendees at outreach events but also the sub-contractors attending the outreach events, eventually to be compared to the sub-contractors getting the jobs and the dollars created by this. Mr. McElhinney asked Mr. White to track this information for the Caldecott project. Mr. White noted that this might be very difficult to do because the attendees are often looking for second- or third-tier work, which is not as traceable. Mr. Guerrero acknowledged this, but encouraged Caltrans to begin the process of tracking this information on the Caldecott project. Mr. Chaudhary asked Mr. Finney what could be done to get the projects moving forward in the "Not Ready To List Yet" section of the "Forecast" spreadsheet. Mr. Finney explained that the size of the projects was slowing the process and that the process is rigid; however, he predicted that there would be \$200-300 million that advertise by the end of summer on contracts in Alameda County. Mr. McElhinney requested that target dates for the "Not RTL Yet" jobs dates be added to the spreadsheet "Forecast of Upcoming Construction Projects in District 4." Mr. Vargas asked if at least a range of dates could be provided. Mr. Finney said that this information is currently available on the website.

Action Item #1608 for Mr. Finney

Maintenance Update:

Mr. Stanley Ng referred to the following five handouts to update the council on this topic: 1) "FY 07/08 Director's Order Emergency Force Account Prime-contractors and Sub-contractors List;" 2) "Types of Emergency Contracts;" 3) "District 4 Emergency Contracts Small Business Utilization Report As of 3-17-08 (Director's Order Force Account);" 4) "District 4 Emergency Contracts Small Business Utilization Report As of 3-17-08 (District Director's Order Force Account);" and 5) "District 4 Emergency Contracts Small Business Utilization Report As of 3-17-08 (Director's Order Informal Bid)." Regarding handout "FY 07/08 Director's Order Emergency Force Account Prime-contractors and Sub-contractors List," Mr. Ng observed that the Department was not yet achieving its 3% DVBE goal on Emergency Force Account contracts, but noted that sub-contracting opportunities are very limited on these contracts [Action Item #1008]. Mr. Vargas said that he was happy to see instances of an SBE prime-contractor hiring a non-SBE sub-contractor. Ms. LaCome requested that the council be updated on which sub-contractors are hired for 8 contracts marked "TBD" on the "FY 07/08 Director's Order Emergency Force Account Prime-contractors and Sub-contractors List" handout. Ms. LaCome asked if Caltrans would be suggesting to the prime-contractors on these 8 contracts that they consider using SBE, DBE or DVBE sub-contractors, and Mr. Finney responded that Caltrans would be doing this. Referring to the handout "Types of Emergency Contracts," Ms. LaCome asked if these emergency contracts included all Minor Bs \$147,000 and below, and Mr. Finney clarified that the District Director's Order Force Account has a \$147,000 dollar limit but the Director's Order Force Account can go above \$147,000. In response to Mr. Guerrero's question, Mr. Ng said that employee fringe benefits and insurance are included in the surcharges but that company liability insurance is not included. Mr. Finney then noted that the handout leaves off "Emergency Limited Bid," and Mr. Ng said that he would be discussing this topic at the next meeting. Referring to the three pie chart handouts, Mr. Ng noted that 64% of the FY 07/08 Director's Order Force Account spending had been awarded to SBEs so far in FY 07/08. Mr. McElhinney emphasized that, so far in FY 07/08, 27 of the 33 emergency contracts have gone to a wide variety of small businesses. Mr. McPeak concluded by reporting that over \$300,000 in District Warehouse spending and \$1.2 million in paint containment expenditures had been 100% awarded to small businesses.

Architecture & Engineering (A&E) Update:

Ms. Nguyen referred to 5 spreadsheets to brief the council on this topic: “Recent & Upcoming A&E Contracts,” “Recent & Upcoming Non-A&E Contracts,” “SBE Status Quarterly Update,” “DBE Status Quarterly Update,” and “DVBE Status Update.” Regarding A&E contracts, she noted that contract #04A3034 was advertised on 3/11 and has a closing date of 4/16. An outreach event will be held on 3/27 at the D4 District Office for this contract. Additionally, five working days were added to the advertisement period for this contract. Proposers would now have 13 working days instead of 8 working days after the outreach event to submit their Statement of Qualifications. Ms. Nguyen summarized recent changes to general A&E contracting: the goal for DVBE has been temporarily increased from 3% to 5% until June 30, 2008 and the contract process has been extended from 60 days to 75 days. The 15 extra days are for the negotiations process. Ms. Nguyen referred to the spreadsheet “DVBE Status Update” and noted that a new column had been added to the spreadsheet identifying the DVBE sub-contractors on 13 of 23 contracts [Action Item #1108]. (Sub-consultants for the remaining 10 contracts are in the process of being retrieved from the A&E archives and will be reported at a later date.) Ms. Nguyen announced that there would be a Calmentor Celebration Event on 4/3 to be attended by Director Kempton and Secretary Dale Bonner, who will be the keynote speaker. She said that details on this event would be emailed to all SBC members within the next week and then re-confirmed with a follow-up telephone call. Mr. Lau announced that the Consultant Services Unit would be participating in the Asian American Architects and Engineers Membership Event on 4/10. Ms. LaCome underscored the effectiveness of telephone calls rather than email. Mr. McElhinney thanked Mr. Stewart Ng, Ms. Nguyen, and Mr. Fuentes for their efforts in organizing this event.

Toll Bridge Program (TBP) Update:

Mr. Anziano referred to A&E’s handout “Recent and Upcoming Non-A&E Contracts” to update the council on this topic. Mr. Anziano reported that Caltrans continues to talk to MCM, the Oakland Touchdown contractor, about increasing small business participation. For example, now MCM is looking for contractors for the following: roadway striping, security guard services, and supply of piping [Action Item #1208]. Ms. LaCome asked about the dollar value and length of the contracts, but Mr. Anziano did not know. In terms of timeframe, Mr. Anziano said the security and piping are fairly immediate needs, but the roadway striping is about 18 months off. Currently, he estimated that MCM is hovering around 20% small business participation, and he is pushing them at monthly management meetings to reach a minimum of 25%. Ms. LaCome asked for list of MCM sub-contractors, and Mr. Anziano said that he would send that to her. Mr. Lau asked whether HNTB had been able to meet its 50% small business goal and what sub-contractors were on their team. Mr. Anziano replied that HNTB reported a ballpark estimate of 40-49% SBE and that small business participation would be better judged once task orders started being issued. Mr. Lau said that the SBC had previously expressed concern that HNTB was not stepping forward to bring new members onto their team. Mr. Anziano said that he saw new names on their proposal, in addition to bringing along their old team. Mr. Lau said that there was a perception among small businesses that HNTB was “going through the motions” and did not really intend to bring in new sub-contractors. Mr. Anziano suggested that he would go one step further to address Mr. Lau’s concern and compile a list of the particular sub-contractors involved in the HNTB contract. Mr. Anziano assured Mr. Lau that Caltrans is doing everything it can to increase the number of new small business sub-contractors under HNTB to help HNTB meet its 50% small business goal.

IV. Review of Past Action Items

Mr. Hess led a review of the action items from the 1/8/08 SBC meeting. Action Item #1008 is ongoing: Mr. Stanley Ng reported that, so far, the Department was not achieving its DVBE goal; then, Ms. LaCome requested that the council be updated on which sub-contractors are eventually hired for the 8 contracts marked "TBD" on the "FY 07/08 Director's Order Emergency Force Account Prime-contractors and Sub-contractors List" handout [see p. 3]. Action Item #1108 is ongoing: Ms. Nguyen added a new column to the spreadsheet "DVBE Status Update" that identified the DVBE sub-contractors on 13 of 23 contracts; for the remaining 10 contracts, Ms. Nguyen is in the process of retrieving this information from the archives [see p. 4]. Action Item #1208 is ongoing: Mr. Anziano gave a look-ahead for new opportunities with MCM [see page 4]; however, Ms. LaCome asked Mr. Anziano to provide more detail and present the report in writing with estimated amounts and approximate dates. Action Item #1308 is complete: Mr. Anziano reported that MCM told Caltrans that the split is roughly 50-50, but he would double check on that. Action Item #1408 is complete: Mr. White reported that all SBC members had renewed their memberships except for Mr. Altaha and Mr. Chavez (as well as Mr. Chavez's alternate, Mr. Vasquez). Mr. Vargas said that he would remind Mr. Altaha, and Ms. LaCome said she would remind Mr. Guerrero to remind Mr. Chavez. Action Item #1508 is ongoing: Mr. Hess presented the handout "2007 District Small Business Council Related Highlights" to the council and asked for their review and feedback.

V. New Business

Mr. Hess noted that May is Small Business Month and asked the council for opinions about District 4 holding a spring procurement fair. Mr. Hess noted that money will be very tight at the end of this fiscal year. Mr. Lau observed that it is important for Caltrans to fulfill its obligations to the DBE program. Ms. Fonseca agreed with Mr. Lau and said that Director Kempton encourages the districts to have more procurement fairs. Ms. Fonseca also agreed with Ms. LaCome that having a small procurement fair is better than having no fair at all. Ms. Fonseca suggested that District 4 wait and see how Districts 11 and 7 do with their fairs, then District 4 could better assess the viability of having their own spring procurement fair. Mr. Hess raised the issue of the meeting schedule, clarifying that the new schedule (revised on 2-8-08) puts most meetings on Wednesdays, except for the meetings in September, November and December, which are on Fridays. Mr. Hess explained that meetings had been scheduled on Fridays in order that Mr. Sartipi could attend. Ms. LaCome commented that she had no problem with the schedule as long as she knew it ahead of time. She added that she appreciated the telephone call reminders.

VI. The Meeting Adjourned at 2:35 P.M.

Mr. Vargas let the council know that he would not be at the 4/16 meeting because he was already committed to be at the Oakland Tech High School Career Fair. He announced that on the same day in the morning the Oakland Metropolitan Chamber is having a workshop on the Continuity Plan. Mr. McElhinney re-introduced Mr. Crosby as the new Small Business Liaison, and Mr. Vargas thanked Mr. Crosby and his team for attending the Hispanic Chamber's Education Day. Mr. McElhinney asked Ms. Fonseca if she had anything to add regarding the statewide SBC meetings. She said that at the last statewide meeting, there had been a request to post all district statewide council meetings on the website and that had been done, as well as sending the schedule individually as email attachments. Ms. Fonseca asked that SBC members review AB 3024 and, if they agreed with the legislative language, comment to the author on their support or suggestions for amendment of the bill. Mr. McElhinney adjourned the March meeting and announced that the next D4 SBC meeting would be on Wednesday, 4/16 at 1:30pm.

District 4 Small Business Council Action Items as of March 14, 2008:

No.	Item	Assignee	Date	Status	Comments
1008	In response to Mr. Ramirez's question, Mr. Sartipi asked that Mr. Ng research whether any of the subcontractors on the \$9 million in Director's Emergency Force Account spending were DVBEs.	Mr. Stanley Ng	1-8-08	Ongoing	Ms. LaCome requested an update on which sub-contractors are eventually hired for the 8 contracts marked "TBD" on the "FY 07/08 Director's Order Emergency Force Account Prime-contractors and Sub-contractors List" handout. [p. 3]
1108	Mr. Ramirez asked to have the DVBEs listed on the spreadsheet called "DVBE Status Update 1-8-08."	Ms. Nguyen	1-8-08	Ongoing	Sub-contractors for the remaining 10 contracts are being retrieved from archives [p.4]
1208	Mr. Vargas asked that Mr. Anziano give a look ahead for new opportunities available from MCM that may be coming up 3 to six months down the road.	Mr. Anziano	1-8-08	Ongoing	Ms. LaCome asked that the look-ahead be presented to the council in writing with estimated amounts and approximate dates
1508	In the spirit of a year-end wrap up for 2007, Mr. Vargas asked for a summary of the year's highlights so that the D4 SBC does not repeat presenters in 2008. Mr. Sartipi asked that the council members help Caltrans staff with that, especially focusing on what went well and what needs improvement.	Mr. Hess	1-8-08	Ongoing	SBC Members are reviewing Mr. Hess' draft of the handout "2007 District Small Business Council Related Highlights" and providing input and feedback
1608	Mr. McElhinney requested that the target dates for the "Not RTL Yet" jobs dates be added to the spreadsheet "Forecast of Upcoming Construction Projects in District 4." Mr. Vargas asked if at least a range of dates could be provided.	Mr. Whipple	3-14-08	New	[p. 3]

District 4 Small Business Council Items Deferred to Statewide Council

No.	Item	Assignee	Date	Status	Comments
1306	DDD Hess will follow up with HQ to ascertain services provided by GCAP as per contract received.	DDD Hess	3/8/06	Ongoing	Reinstated 8/9/06. Contract under review. Council members Guerrero and Altaha will serve on RFP review committee.
1706	DDD Hess will examine existing web-based registration for contractors with Office of Civil Rights	DDD Hess	4/12/06	Ongoing	8/9/06: Will need additional time for review and analysis.
3206	Elevate the concerns of the District 4 Small Business council regarding Caltrans' plan to implement the new insurance limits on January 1, 2007.	DDD Hess	9/13/06	Ongoing	Issue shared with Olivia Fonseca. Update provided on 10/11/06. Statewide SBC issue. Discussion included in 08/16/06 Statewide SBC minutes. Victor Salazar, HQ, is the lead on this issue.
1607	Mr. Finney agreed to research whether supply line items may be separated out of Prime contracts.	DDD Finney	3/14/07	Ongoing	DDD Hess will inform Deputy Fonseca on this issue. An e-mail was sent to Deputy Fonseca on 5/16/07. Mr. Hess will follow up on this item at the Statewide SBC meeting on 6/15/07. DDD Louie and Deputy Fonseca have agreed that this is a statewide issue and should be moved to the Statewide SBC

District 4 Small Business Council Meeting Schedule
Remaining Meetings for 2008 / revised 2-8-08

Type Meeting	Date/Time	Meeting Location
Monthly Meeting, District 4 Small Business Council	4/16/08, 1:30 p.m. (Wednesday)	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	5/14/08, 1:00 p.m. (Wednesday)	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	6/11/08, 1:00 p.m. (Wednesday)	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	7/09/08, 1:00 p.m. (Wednesday)	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	8/13/08, 1:00 p.m. (Wednesday)	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	9/12/08, 1:00 p.m. (Friday)	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	10/08/08, 1:00 p.m. (Wednesday)	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	11/07/08, 9:30 a.m. (Friday)	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	12/12/08, 1:00 p.m. (Friday)	Exec. Conference Room, District 4 Offices, Oakland

DRAFT PENDING SBC APPROVAL