Draft -- D4 Small Business Council Meeting Minutes

DATE: 9/11/2007
TIME: 1:30 – 3:00
LOCATION: District 4
Executive Conference Room, 15-240
111 Grand Ave.
Oakland, CA

D4 CALTRANS STAFF PRESENT

Bijan Sartipi, District Director
Dan Hess, Deputy District Director, Administration
Bob Finney, Deputy District Director, Construction
Usen Inyang, Deputy District Director, Maintenance
Lenka Culik-Caro, Deputy District Director, Design
Trinity Nguyen, Office Chief, Consultant Services
Romy Fuentes, Consultant Services
Augusta Solano, Consultant Services
Brian White, Administrative Services
Kim Byrne, Administrative Services

HQ & AGENCY STAFF PRESENT

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

COUNCIL MEMBERS PRESENT

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

I. Introductions

District 4 Director Bijan Sartipi chaired the meeting of the September Small Business Council meeting. Mr. Sartipi announced that there has been an organizational change in the district where the Small Business work has been moved from our External Affairs Division to the Administration Division. Deputy District Director Dan Hess will be

leading this, following on the work that Deputy District Director Ruby Louie did. Assisting him will be Brian White.

II. Approval of June and July Minutes

June 13, 2007 Meeting Minutes:
Mr. Sartipi set aside approval of the June 13, 2007 minutes until the next meeting because some of the Council Members had not yet read the final draft. The June minutes were provided to the Council Members at the meeting.

July 11, 2007 Meeting Minutes:
Mr. Guerrero pointed to the first and second questions asked by Mr. Altaha on page 4 regarding contractor selection criteria. Mr. Guerrero said that Ms. Nguyen's answers to these questions suggest that there is an unwritten rule. He asked that the minutes reflect that there is an unwritten rule for contractor selection criteria. After discussion among Mr. Guerrero, Mr. Sartipi, and Ms. Nguyen, Mr. Sartipi assured all of the council members that there are no unwritten rules. Mr. Guerrero asked that Mr. Sartipi amend the minutes to reflect that there are no unwritten rules for contractor selection criteria. Mr. Lau suggested that the Council accept the minutes as presented and make "checking on unwritten rules" an action item.

Approval of the July 11, 2007 Meeting Minutes
Motion: Councilmember Eddie Lau
Second: Councilmember Paul Guerrero
Opposed: None
Approved: By consensus

Action Item 2807 for Mr. Sartipi.

III. District 4 Updates

Construction Update:
Mr. Finney referred to the spreadsheet "Forecast of Upcoming Construction Projects in District 4" contained in the meeting folders to brief the council on this topic. In response to the question whether the delay in advertisement of a number of contracts was due to the state budget, Mr. Sartipi responded that it was not due to the budget situation.

Maintenance Update:
Mr. Inyang said that there is no report by Maintenance on Minor B contracts this month since projects for the Minor B Program are not yet finalized. Maintenance plans to make a report showing how the Specialty Regions and Warehouse work with small business.

Architecture & Engineering (A&E) Update:
Mr. Fuentes referred to the "Recent and Upcoming A & E Contracts" spreadsheet contained in the meeting folders to brief the council on this topic. He started by correcting row 34, column "Contract Type" to read "Material Testing." He said contracts

04A2915 and 04A2917 will be advertised this month. Three new contracts have been added on this spreadsheet as compared to the spreadsheet provided at the last meeting. He said that for now contracts 59A0598 and 0NEW21409 are cancelled.

Mr. Guerrero asked that a column be added to the "Recent and Upcoming A&E Contracts" spreadsheet to report achievement of goals. Ms. Nguyen said that the purpose of the "Recent and Upcoming A&E Contracts" spreadsheet is to show recently awarded and upcoming contracts only; however, the "Quarterly Small Business and DBE Report" does track the achievement of goals quarterly, and she will bring this spreadsheet to the next SBC meeting.

Mr. Lau observed that it seems like the goals are almost always met at RFP submittal time on the A&E side and almost never met on the Construction side. Mr. Sartipi agreed with this and said that we are not there yet with Construction, that it is an area for improvement.

Mr. Guerrero raised the concern that subcontractors may be listed on a RFP and not be told about it. Mr. Ramirez said that he received an award letter and was listed as a subcontractor by the prime, and the project was completed, he was listed, and he was never contacted. Mr. Sartipi asked if it was a Construction project, and Mr. Ramirez said it was. Ms. Fonseca explained that the resident engineer should have identified Mr. Ramirez's absence as a DVBE on the site and taken action from that point and asked for a substitution if he wasn't going to perform the work. Mr. Guerrero asked if the job was complete, and Mr. Ramirez said that it was, as far as he knew. Mr. Guerrero said that if the job was not complete, Mr. Ramirez should be writing a letter to Caltrans asking that payment be withheld. Ms. Fonseca agreed. Mr. Sartipi clarified that if a subcontractor gets a letter from the prime contractor saying that the subcontractor is going to be used on a job, it does not mean that he or she is in the first tier/layer. Potentially, Caltrans won't even know about a subcontractor if he or she is in the second or third tier/layer because Caltrans and the RE only see the first tier/layer of subcontractors. Mr. Sartipi asked that Mr. Ramirez give him information after the meeting so that it can be determined whether or not he was listed or just sent a letter.

Another issue is that Mr. Ramirez has not been paid for pouring of concrete on the Skyway job in Stockton. Mr. Sartipi pointed out that this is an ongoing job. Ms. Fonseca said that if Mr. Ramirez provided the service, he is due his pay. Mr. Chaudhary suggested that if Mr. Ramirez is a material supplier, Mr. Ramirez should file a stop notice.

Toll Bridge Program (TBP) Update:
Mr. Anziano was not present to make this update.

IV. Review of Past Action Items

Mr. Hess led a review of the outstanding action items from the 7/11/07 minutes.

#2007 and #2107 Ongoing
Mr. Lau suggested that 2007 and 2107 be merged. Ms. Nguyen said that a task force has been assembled and this item is to be taken up at the statewide SBC meeting in December. The merged action items will be carried forward as **#2107**.

#2207 Complete
Mr. Finney made a presentation describing the Contract Change Order Process. Mr. Sartipi added that the majority of the CCOs are site condition changes, quantity changes, and contract conflicts, and he gave examples of some of these. Mr. Finney explained that many of these CCOs are the result of unique and/or unanticipated conditions at a site. Mr. Vargas asked if it is possible, for CCOs that take a lot of time and are above $200,000 or $1 million, for small business participation to be kept in mind. Mr. Finney explained that CCOs that take a long time are often the result of settling a claim. For some CCOs, sections of the work have been done by small business. Mr. Sartipi explained that when we have these CCOs, often it is difficult to predict what will be needed and who is expert. Mr. Sartipi emphasized that the direction to Caltrans construction staff is that anytime they have the opportunity when there is a change, they should remind the contractor to use small business. Copies of a section of the Construction Manual were handed out.

 # 2307 Complete
Ms. Nguyen referred the Council to the spreadsheet called "District 4 Consultant Services Unit: List of Sub-Consultants for A&E Recent Contract Selections (SBC Action Item 2307)." Mr. Chaudhary asked if the names of the PMs would be added to this spreadsheet. Mr. Sartipi questioned the need to keep adding columns. Mr. Chaudhary explained 2307 is related to 2507. Mr. Guerrero suggested that 2307 be marked as complete and the issue of PM names be merged into 2507.

 # 2407 Postponed
Councilmember LaCome requested that Caltrans provide a periodic update of actual usage for the second and third layer of subcontractors on the Oakland Touchdown contract.

 # 2507 Ongoing
Mr. Sartipi and Ms. Nguyen questioned the relevance of providing the list of PMs on successful contracts to the goals of the SBC. Mr. Chaudhary stated that there is a perception among small businesses that if a small business does not have a former Caltrans employee as its PM, the small business won't get the job. Mr. Lau suggested limiting the scope and providing the names of PMs on only the 20 current projects. Mr. Sartipi agreed. Ms. Nguyen took the action item over from Mr. Ng and will provide the information.

 # 2607 Ongoing
Councilmember Altaha asked D4 to provide the Council with an overall percentage of SBE goal performance in the District, not just for A&E contracts.

 # 2707 Postponed
Councilmember LaCome asked Tony Anziano to provide information on the addendum to OCIP for the Oakland Touchdown project.

V. The Meeting Adjourned at 3:30 P.M.

The next District 4 SBC Meeting is scheduled for October 16th, 2007, 1:30 P.M.
The meeting after that is scheduled for November 14th, 2007. The meeting after that is scheduled for December 18th, 2007. Mr. Sartipi asked that if any Council Members have an issue with any of these dates, to please let him know. If a quorum can't be achieved, the meeting will be rescheduled.

Announcements:

- Toll Bridge Program Small Business Networking Event is scheduled for Friday September 27, 2007 at Pier 7 in Oakland. Register online at www.baybridgeinfo.org.
- Statewide SBC will meet in Sacramento on Friday September 21, 2007.
- Small Business Procurement Fair is scheduled for October 24, 2007 at Kaiser Building in Oakland.
- Hispanic Chamber is sponsoring the Mariachi Festival in the Fruitvale in Oakland this weekend. Mr. Vargas will send more information about a similar event happening in November.

District 4 Small Business Council Meeting Schedule – 2007

Type Meeting	Date/Time	Meeting Location
Monthly Meeting, District 4 Small Business Council	1/10/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	2/14/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	3/14/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	4/11/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	5/09/07, 1:30 p.m.	Parkview. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	6/13/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	7/11/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	8/08/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	9/11/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	10/16/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	11/14/07, 1:30 p.m.	Exec. Conference Room, District 4 Offices, Oakland
Monthly Meeting, District 4 Small Business Council	12/18/07, 1:30 p.m	Exec. Conference Room, District 4 Offices, Oakland

District 4 Small Business Council Action Items as of September 11, 2007:

Number	Item	Assigned to	Date Assigned	Status	Comments
1006	Ali Altaha proposed the establishment of a District 4 SBC A&E Contract Subcommittee. Several members volunteered to be part of such a group. District Director Sartipi asked Ali to provide a draft proposal and charter to Stewart Ng for review.	Ali Altaha SBC Member	2/8/06	Complete	The Statewide Professional Services Committee can consider this request.
1307	Mr. Fuentes will post the SBE Status Update on the A&E website.	Romy Fuentes	1/10/07	Complete	CSU Chief Nguyen confirmed that the DBE, DVBE and SBE status update has been added to the Calmentor website.
2007	Councilmember Lau agreed to raise the issue of insurance requirements on A&E and Construction contracts at the statewide SBC and the Professional Services Committee.	Councilmember Lau	5/09/07	Ongoing (on 9/11/07 merged with and carried forward as 2107)	The statewide SBC has not had the time for this issue yet.
2107	CSU Chief Nguyen will invite Ray Shaw, DPAC to an SBC meeting to discuss the added insurance requirements for new contracts.	CSU Chief Nguyen	5/09/07	Ongoing	No date has been set yet. Ms. Nguyen will try to arrange it for a future meeting. DPAC will be providing updated information in the near future.
2207	Councilmember Altaha requested a presentation to the Council on the change-order process.	DDD Finney	7/11/07	Complete	

2307	Councilmember Altaha asked that two columns be added to the A&E handout showing Project Manager's names and a listing of sub-contractors for the winning teams.	CSU Chief Nguyen	7/11/07	Complete	
2407	Councilmember LaCome requested that Caltrans provide a periodic update of actual usage for the second and third layer of subcontractors on the Oakland Touchdown contract	TBP Manager Anziano	7/11/07	Postponed	
2507	Councilmember Altaha requested a list of Project Managers on successful contracts who were former employees of Caltrans.	CSU Chief Nguyen	7/11/07	Ongoing	
2607	Councilmember Altaha asked D4 to provide the Council with an overall percentage of SBE goal performance in the District, not just for A&E contracts.	DDD Hess	7/11/07	Ongoing	
2707	Councilmember LaCome asked Tony Anziano to provide information on the addendum to OCIP for the Oakland Touchdown project.	TBP Manager Anziano	7/11/07	Postponed	
2807	Mr. Guerrero asked that Mr. Sartipi amend the minutes to reflect that there are no unwritten rules for contractor selection criteria.	DD Sartipi	9/11/07	New	

District 4 Small Business Council Items Deferred to Statewide Council

Number	Item	Assigned to	Date Assigned	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