



D4 Small Business Council Meeting Minutes

DATE: February 20, 2013

TIME: 1:00- 2:30pm

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

<p><u>D4 CALTRANS STAFF:</u> Bijan Sartipi, District Director Dan McElhinney, Chief DDD Nader Eshghipour, DDD Maintenance Bob Finney, DDD Construction Premjit Rai, DDD Administration Kim Byrne, Office of Business Mgmt George Crosby, Small Business Manager Romy Fuentes, Program/Project Mgmt Tom Fung, Program/Project Mgmt Hillal Hamdan, Program/Project Mgmt Adriana Harris, Small Business Prog Damien Harris, Office of Business Mgmt Larry Jones, Design Stanley Ng, Maintenance Ray Pang, Construction Derek Pool, Toll Bridge SB Program</p>	<p><u>MEMBERS (Present/Absent)</u> Arvin Chaudhary (A) Marie De La Parra (A) Paul Guerrero (P) Diana LaCome (P) Eddy Lau (P) Victor Martinez (P) Peter Ramirez (A) Jesus Vargas (P)</p>	<p><u>REPRESENTING</u> ACEC CA OAACC - NCMSDC La Raza Roundtable NCA AAAE HCCAC SDVOC WTS</p>
<p><u>HQ/AGENCY STAFF</u> Mario Solis, HQ OBEO</p>	<p><u>ALTERNATES (Present/Absent)</u> Etta Jones (P) Michael Price (A) Miguel Barrigan (A) Leslie Sakai (P) Anthony DeVenuta (A) Shirley Douglas (A)</p>	<p><u>REPRESENTING</u> OAACC - NCMSDC La Raza Roundtable NCA AAAE SDVOC WTS</p>
<p><u>GUESTS:</u> Pat Padilla, Padilla & Associates</p>		

Item #1: Introductions

District Director Bijan Sartipi welcomed everyone to the February meeting and the meeting attendees introduced themselves.

Item #2: Approval of Minutes

October 17, 2012 Meeting Minutes:
 Motion: Ms. Diana LaCome; Second: Mr. Eddy Lau; Opposed: None; Approved by consensus.

Item #3: District 4 Updates

A&E Update: Mr. Romy Fuentes presented the A&E report. He pointed out that contract #04A4105 was the topic of the response by Mr. Tom Fung to Action Item #1712 (see page 3). Mr. Lau asked about Ms. Trinity Nguyen’s position, and Mr. Dan McElhinney said that by next meeting the position should be filled.

Construction Update: Mr. Ray Pang presented the Construction reports. He corrected the report in noting that the column heading “UDBE/DBE Goals” should be changed to “DBE Goals.” Mr. Vargas asked how the Incentive DVBE goal is paid, and Mr. Pang said that if the prime contractor achieves 5% then the

prime gets the \$250K incentive. Mr. Pang said that there would be upcoming Mandatory Pre-bid Outreaches for contracts #0A7101 and #0A5341. Mr. Finney said that contracts #0A7101 and #0A5341 are the last 2 of the bond measures, and that work levels are expected to decrease over the next few years. Mr. Lau asked Mr. Finney to have his staff report to the council on the Construction Mentor-Protégé Program at the next meeting, and Mr. Finney said that he would have Mr. Nyaga make a presentation. Ms. LaCome asked Mr. Finney to forward to her any documentation on the Construction Mentor-Protégé Program, and Mr. Finney said that he would do this.

Maintenance Update: Mr. Stan Ng presented the Maintenance reports. He updated the council that EA #4H6204 had been awarded to Redwood Engineering. Mr. Lau asked if firms are selected on a random basis or from a prescribed list, and Mr. Ng said that Maintenance draws from sources such as the DGS list and the HQ Construction list, as well as contractors in the work area. Mr. Lau asked if there is a substantial number of minority owned firms on the lists, and Mr. Nader Eshghipour said that there was. He said that especially when it comes to the smaller contracts, the certified small businesses are contacted first and foremost. Mr. Sartipi said that Caltrans makes every effort, including the emergency contracts, to provide opportunities for small businesses, and the numbers reflect substantial SB participation. Mr. Lau said that he was asking because he is heading a working group to enhance African American business participation in Caltrans contracting, including in informal contracts, and he is trying to collect information. Mr. Eshghipour noted that participation is limited by the expertise of the contractor in the context of the scope of work. Mr. Sartipi asked about the timeline for the working group, and Mr. Lau said that there have been 4 meetings so far, as well as developing a concept paper and planning pilot projects in select districts. Ms. LaCome said that meeting with Mr. Sartipi is a high priority, and Mr. Guerrero added that District 4 was chosen because it is one of the best districts, and if anyone could do it, District 4 could do it.

Design Update: Mr. Larry Jones presented the Design reports and said there were no changes since last report. Mr. Guerrero asked why the report uses the language “Most Qualified Bidder” instead of “Low Bidder.” Mr. Sartipi clarified that the bids are “low bids” and there is no other criteria being considered, but there are other requirements in the contract such as bonding and licensing. Mr. Jones said that District 4 reviews the bid and HQ reviews the other requirements.

Toll Bridge Program Update: Mr. Derek Pool handed out a snapshot of an unapproved 2012 Program Report, so he discussed it and then took it back. The report showed cumulative totals on payments and commitments. Mr. Sartipi said that the council will be very pleased to see the final report. Ms. Pat Padilla presented the Toll Bridge reports. Mr. Pool reported that he attended the YBITS2 kick off meeting. He let the council know that the same Toll Bridge Small Business Program team is working on the YBITS2 project and is expected to hit the ground running. He added that this will be a partnership contract and meetings with the primes have been scheduled.

Proposed Service Contracts over \$5K Update:

Ms. Adriana Harris presented the over \$5K report.

District 4 Small Business Update:

Mr. George Crosby provided the Small Business update. Mr. Crosby shared a report from DPAC showing FY 11-12 SBE, Microbusiness, and DVBE Participation. He also drew the council’s attention to the D4 Small Business Program’s 2012 Annual Activity Report. Ms. LaCome and Mr. Guerrero praised the document.

Mr. Crosby said that there will be a quarterly outreach on March 21st at 1515 Clay Street, time TBD. Mr. Crosby reported that there was a Procurement Fair in January that has netted \$1.47M so far. Mr. Crosby let the council know that the 2013 D4 SBC schedule was in the meeting folders. Mr. Lau asked that the December meeting be scheduled earlier in the month, and Mr. Sartipi said that this suggestion would be considered and discussed further.

Item #4: Review of Action Items

Mr. Premjit Rai led discussion of last meeting's action items:

Action Item #1512 is ongoing: *"Mr. Guerrero requested an action item to determine at what point in time the small business as referenced in 49 CFR 26.39 would be adopted and made a part of the bids."* Mr. Rai said that the Department has submitted a plan to the FHWA but has not yet received a response.

Action Item #1612 is closed: *"Mr. Sartipi said that the written descriptions of the ELB and Simplified Processes should be provided to the council. Mr. McElhinney said that a written description of the Informal Bid process should also be provided."* Mr. Ng referred to a table describing the ELB Process. Mr. Jones shared with the council a flowchart of the Simplified Process. Mr. Lau asked if there are bonding requirements for the Simplified Process, and Mr. Jones said that there are. Ms. LaCome said that she thought some of the requirements were waived, and she asked Mr. Mario Solis to locate the Performance Bond language for the next Statewide SBC meeting, and Mr. Solis said that would not be a problem.

Action Item #1712 is closed: *"Regarding contract #04A4105, Mr. Fuentes said that the 7% DBE goal had been calculated based on the formula provided by OBEO. Mr. Arvin Chaudhary requested to see the formula, and for this particular contract, he asked to see the numbers and how the contract manager went about calculating this contract's 7% DBE goal. Ms. LaCome asked that Mr. Fuentes share the formula with all of the council members."* Mr. Tom Fung presented via a PowerPoint the Census Bureau Data and Data Directory method, including the formula for calculating the DBE percentage. Mr. Sartipi said that the point of Mr. Fung's explanation was to clarify the process that is being followed, the sites that are being accessed, the numbers that are being obtained, and the weighted values used to calculate the goal. Regarding the formula, Mr. Guerrero asked if the firms in the denominator have been verified as "ready, willing and able" to bid on Caltrans jobs because by including firms in the denominator that are not "ready, willing and able," the result is less favorable to DBEs. Mr. Sartipi said Mr. Guerrero's question was about the process Caltrans uses statewide. Ms. LaCome said she would raise the issue at the Statewide SBC meeting. Mr. Lau asked if the entire 81% goal was being fulfilled by the prime. Ms. Padilla said that in this case 74% (81%-7%) would be considered race neutral and fulfilled by the prime and 7% would be considered race conscious and would be fulfilled by subcontractors. Mr. Vargas asked who assigns the weighted percentage goals, and Mr. Sartipi said the contract manager does this using the scope of work.

Item #5: New Business

There was no new business.

Item #6: Adjourn

Mr. Sartipi adjourned the meeting, and announced that the next meeting would be held on April 17, 2013.

District 4 Small Business Council Action Items as of February 20, 2013:

No. / Starting Date / Assignee	Item & Notes
<p>#1512 on 10/17/12 for Ray Pang & George Crosby</p>	<p>Mr. Guerrero requested an action item to determine at what point in time the small business as referenced in 49 CFR 26.39 would be adopted and made a part of the bids. At the February meeting, Mr. Rai said that the Department has submitted a plan to the FHWA but has not yet received a response.</p>

2013 District 4 Small Business Council Meeting Schedule

All meetings will be held in the Executive Conference Room, 15-240, unless otherwise noted.

Month	Date & Time
April	Wednesday, April 17 , 2013 from 1:00 pm – 2:30 pm
June	Wednesday, June 19 , 2013 from 1:00 pm – 2:30 pm
August	Wednesday, August 21 , 2013 from 1:00 pm – 2:30 pm
October	Wednesday, October 16 , 2013 from 1:00 pm – 2:30 pm
December	TBD