

 <b>D4 Small Business Council Meeting Minutes</b> DATE: April 17, 2013 TIME: 1:00- 3:00pm LOCATION: District 4, Executive Conference Room, 111 Grand Ave., Oakland, CA		
<p><b><u>D4 CALTRANS STAFF:</u></b>                  Dan McElhinney, Chief DDD (via phone)                  Lenka Culik-Caro, DDD Design                  Bob Finney, DDD Construction                  Premjit Rai, DDD Administration                  Ali Banani, Consultant Services                  Kim Byrne, Office of Business Mgmt                  George Crosby, Small Business Manager                  Romy Fuentes, Consultant Services                  Damien Harris, Office of Business Mgmt                  Stanley Ng, Maintenance                  Bonny Nyaga, Construction                  Ray Pang, Construction                  Derek Pool, Toll Bridge SB Program</p> <p><b><u>HQ/AGENCY STAFF</u></b>                  Ramon Carlos, HQ OBEO (via phone)</p>	<p><b><u>MEMBERS (Present/Absent)</u></b>                  Arvin Chaudhary (P)                  Marie De La Parra (P)                  Paul Guerrero (P)                  Diana LaCome (P)                  Eddy Lau (P)                  Victor Martinez (P)                  Peter Ramirez (P)                  Jesus Vargas (P)</p>	<p><b><u>REPRESENTING</u></b>                  ACEC CA                  OAACC - NCMSDC                  La Raza Roundtable                  NCA                  AAAE                  HCCAC                  SDVOC                  WTS</p>
	<p><b><u>ALTERNATES (Present/Absent)</u></b>                  Etta Jones (A)                  Michael Price (A)                  Miguel Barrigan (A)                  Leslie Sakai (A)                  Anthony DeVenuta (A)                  Shirley Douglas (A)</p>	<p><b><u>REPRESENTING</u></b>                  OAACC - NCMSDC                  La Raza Roundtable                  NCA                  AAAE                  SDVOC                  WTS</p>
	<p><b><u>GUESTS:</u></b>                  Pat Padilla, Padilla &amp; Associates                  Matthew Ajiake, SFAACC                  MC Yu, AAAE</p>	

**Item #1: Introductions**

Caltrans Chief Deputy District Director Dan McElhinney opened the District 4 Small Business Council meeting via teleconference from Sacramento with greetings to the Council and asked the attendees to introduce themselves. Mr. McElhinney thanked the Small Business Council Members for their hard work and years of dedication in District 4 and on the Statewide SBC. He noted that early on this dedication set a great foundation, which is supporting Caltrans managers today by keeping a high priority on small business outreach and utilization. Mr. McElhinney said that he and District Director Bijan Sartipi also review monthly reports on utilization with managers and look forward to discussions at SBC meetings. He said that the Caltrans staff, along with the SBC, remains fully committed to improving contract participation and outreach in all of District 4's programs, such as A&E, Construction, and Maintenance, the status of which is regularly reported at every SBC meeting. Mr. McElhinney said that he appreciates the SBC's teamwork and suggestions. He then introduced Mr. Ali Banani as the new Office Chief for District 4 Consultant Services Unit. Mr. McElhinney said that Mr. Banani will come to the Consultant Services Unit with years of management experience in the Toll Bridge Seismic Program. He welcomed Mr. Banani and expressed his confidence on the excellent job that Mr. Banani would do leading Consultant Services.

Then, Mr. McElhinney left and turned over the meeting to Deputy District Director Ms. Lenka Culik-Caro, who chaired the meeting.

## **Item #2: Approval of Minutes**

### **February 20, 2013 Meeting Minutes:**

Vote was postponed until the June meeting to give the council a chance to review the minutes.

## **Item #3: District 4 Updates**

### **Construction Update:**

Mr. Bob Finney provided the Construction reports. Mr. Finney said that EA #0A7101 and #0A5341 were the last of the TCIF bond projects and these are among others statewide and nationwide for which utilities such as PG&E and others are refusing to sign right of way agreements and utility agreements because they can't certify that the Buy America requirements have been met. Mr. Peter Ramirez requested an action item for Mr. Finney to review the Buy America provisions and report to the council on what is covered. Mr. Finney said that he would provide the council with a copy of the Buy America requirements and at least a link to MAP21 [Action Item #1013]. Ms. Culik-Caro said that she would consult with Mr. Mark Weaver, District 4's Right of Way Deputy, to get more information for the council on utility relocation issues [Action Item #1113]. Mr. Bonny Nyaga referred to a handout in giving a presentation on the Mentor-Protégé program. He noted that the program is in its second round and it is District 4's intent for the program to be provided statewide. Mr. Nyaga encouraged the council to refer potential protégés and mentors to him. Mr. Guerrero recommended that the Mentor-Protégé program use a set curriculum, because certain skills such as implementing cost control measures are essential. Ms. Marie DeLaParra asked if the Mentor Protégé program tracks participation of minority protégés and if there was a certain level of revenue that the program looks for in a protégé. Ms. DeLaParra also suggested that Caltrans put a paragraph in its RFPs encouraging participation in the Mentor Protégé program. Mr. Nyaga responded that the application process has specific questions related to minority status and revenue stream; that all those invited, except for referrals, come from the DGS website; and that there wasn't a minimum revenue stream required, revenue being one of many factors considered. Mr. Jesus Vargas said that it would be good to provide an incentive for mentors to participate in the Mentor Protégé program. Mr. Lau asked if Caltrans could track protégés to see which ones got Caltrans jobs, and Mr. Finney said that there weren't resources to track and wondered if AGC was following up. Ms. LaCome said that she would be willing to contact them. Ms. Culik-Caro said that Mr. Finney will provide to the council the contact information for the 8 protégés that graduated in 2011 [Action Item #1213].

### **Maintenance Update:**

Mr. Stanley Ng provided the Maintenance report. Ms. LaCome asked how much time is required to implement a Director's Order. Mr. Ng said that emergency Director's Orders are implemented within the timeframe of a day to a month. He said that a Director's Order that is deemed in the best interest of the State is implemented within one or three months because CTC funding is needed.

### **Design Update:**

Ms. Culik-Caro provided the Design report. Regarding contract # 2L6000, Mr. Lau noted that the engineer's estimate was \$50K and the low bid was \$21,200. Ms. Culik-Caro said that the estimate may have been too conservative, and pointed out EA #2L7900, which was much closer to the estimate.

**A&E Update:**

Mr. Romy Fuentes provided the A&E report. Mr. Fuentes noted that 3 of the last 5 contracts awarded went to an SBE, a DBE, or a DVBE. Mr. Fuentes pointed out that on contract #04A4147, the goal was 2% and SBE prime Farwestern achieved 5%. Mr. Fuentes reminded the council that at the last meeting Mr. Tom Fung provided the council with the methodology used to calculate the goals. Regarding contract #04A4254, #04A4256, and #04A4255, Mr. Lau commented that the DBE goals are lower on these contracts than on similar contracts in the last cycle. Mr. Fuentes explained that the 5% goal on these contracts was calculated at the contract managers' discretion, based on the methodology and on how the work codes are being used in the contracts. He emphasized that these are minimum goals. Mr. Lau asked if it was stated in the contract that these are minimum goals, and Mr. Fuentes said that he did not know if it was stated explicitly in the contract. Mr. Guerrero disputed whether setting a minimum goal is in line with the regulations. Mr. Fuentes said that the purpose of having a goal is to achieve it. Mr. Lau said that District 4 is known as being more progressive, but in this case the goal setting seems to be dropping back. Mr. Lau asked that it be documented in the contract language that the intent is that the goals are minimum goals and that the primes are encouraged to exceed them. Ms. LaCome said that she wanted to read the language in the RFP. Mr. Chaudhary said that in the past, construction management contracts have had goals of 50% and there was not trouble meeting them. He said that we have an opportunity on upcoming construction management contracts to advocate for setting similarly high goals. Mr. Martinez said that he didn't know why availability wasn't used to set the goals. Mr. Fuentes said that questions about methodology should be directed to HQ. Mr. Ramon Carlos said that the goals are set by the contract managers in each district following a methodology that is partially based on availability throughout the entire state. Ms. Culik-Caro said that D4 could provide the language used in the RFP regarding goals and see what flexibility if any there is [Action Item #1313]. She asked why the goal had gone down, and Mr. Fuentes said that it is because of the methodology. The council asked that Mr. Fuentes provide again the methodology used to calculate the goals [Action Item #1413]. Mr. Guerrero asked that a contract manager give a presentation on how he or she sets the goal on a specific project [Action Item #1513]. Mr. Fuentes said that he could invite a contract manager to the next meeting.

**Toll Bridge Program Update:**

Mr. Derek Pool mentioned that on the SAS project, payments to SBs and DVBEs are approaching \$94M. He also noted that on the YBITS2, there is no new information since the last meeting. Then, Ms. Pat Padilla presented the Toll Bridge report. In the SAS segment of the report, Ms. Padilla clarified that the DBE "Total Dollars Paid to Date" figure should read \$10M, rather than \$910M.

**District 4 Small Business Update:**

Mr. George Crosby presented the Small Business report. He drew the council's attention to DPAC Information Bulletin 13-04 dated 04-08-13 about the increased dollar threshold of \$270K for Minor B and SB/DVBE Public Works contracts. He let the council know that the January Procurement Fair netted \$1.3M. Ms. LaCome asked how it compared to last year, and Mr. Crosby said that last year's generated \$3.3M.

**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 received a response from the FHWA and more information would be available at the June meeting. Mr. Guerrero added to the action item: *“Once approval is received from FHWA, identify who will do the certification.”*

**Item #5: New Business**

There was no new business.

**Item #6: Adjourn**

Ms. Culik-Caro adjourned the meeting, and announced that the next meeting would be held on June 19, 2013.

**District 4 Small Business Council Action Items as of April 17, 2013:**

No. / Starting Date / Assignee	Item & Notes
<p><b>#1512</b> on 10/17/12 for Ray Pang &amp; 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. At the April meeting, Mr. Rai said that FHWA had responded and more information would be available in June. Mr. Guerrero added this to the action item: <i>“Once approval is received from FHWA, identify who will do the certification.”</i></p>
<p><b>#1013</b> on 04/17/13 for Mr. Finney</p>	<p>Mr. Peter Ramirez requested an action item for Mr. Finney to review the Buy America provisions and report to the council on what is covered. Mr. Finney said that he would provide the council with a copy of the Buy America requirements and at least a link to MAP21.</p>
<p><b>#1113</b> on 04/17/13 for Ms. Culik-Caro</p>	<p>Ms. Culik-Caro said that she would consult with Mr. Mark Weaver, District 4’s Right of Way Deputy, to get more information for the council on utility relocation issues on EA #0A7101 and #0A5341.</p>
<p><b>#1213</b> on 04/17/13 for Mr. Finney</p>	<p>Mr. Lau asked if Caltrans could track protégés to see which ones got Caltrans jobs... Ms. Culik-Caro said that Mr. Finney will provide to the council the contact information for the 8 protégés that graduated in 2011.</p>
<p><b>#1313</b> on 04/17/13 for</p>	<p>Regarding contract #04A4254, #04A4256, and #04A4255, Mr. Lau commented that the 5% DBE goal is lower on these contracts than on similar contracts in the last cycle... Mr. Lau asked that it be documented in the contract language that the intent</p>

Mr. Fuentes	is that the goals are minimum goals and that the primes are encouraged to exceed them.... Ms. LaCome said that she wanted to read the language in the RFP. Ms. Culik-Caro said that D4 could provide the language used in the RFP regarding goals and see what flexibility if any there is.
#1413 on 04/17/13 for Mr. Fuentes	The council asked that Mr. Fuentes provide again the methodology used to calculate the goals.
#1513 on 04/17/13 for Mr. Fuentes	Mr. Guerrero asked that a contract manager give a presentation on how he or she sets the goal on a specific project.

**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
June	Wednesday, <b>June 19</b> , 2013 from 1:00 pm – 2:30 pm
August	Wednesday, <b>August 21</b> , 2013 from 1:00 pm – 2:30 pm
October	Wednesday, <b>October 16</b> , 2013 from 1:00 pm – 2:30 pm
December	TBD