



D4 Small Business Council Meeting Minutes

DATE: June 15, 2011

TIME: 1:00- 2:30pm

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

D4 CALTRANS STAFF PRESENT

Bijan Sartipi, District Director
Nigel Blampied, DDD, Prog/Proj Mgmt (Acting)
Joey Crocker, DDD, Administration (Acting)
Skip Sowko, Div. of Design
Steve Whipple, Div of Construction
Kim Byrne, Office of Business Mgmt
Osayahde Nesbitt, Small Business Program
Stanley Ng, Div.of Maintenance
Trinity Nguyen, Div of Prog/Proj Mgmt
Ray Pang, Div. of Const. / Office Engineer
Derek Pool, Toll Bridge Small Business Program

HQ/Agency

Olivia Fonseca, HQ Civil Rights (via telephone)

COUNCIL MEMBERS

Arvin Chaudhary, ACEC California [ABSENT]
Marie DeLaParra, OAACC / NCMSDC
Paul Guerrero, CAL-SBE
Diana LaCome, Nat'l Concilio of America
Eddy Lau, AAAE
Victor Martinez, HCC [ABSENT]
Peter Ramirez, SDVOC [ABSENT]
Leslie Sakai, AAAE [ABSENT]
Shirley Douglas, WTS

GUESTS

Derf Butler, Pendergast & Assoc.
Paul Pendergast, Pendergast & Assoc.

Item #1: Introductions

District Director Bijan Sartipi welcomed everyone to the June meeting, and the attendees introduced themselves. Ms. Olivia Fonseca asked that Mr. Eddy Lau speak on behalf the late Dr. Bill Yang, and Mr. Sartipi agreed. Mr. Lau repeated an anecdote that he described during Dr. Yang's eulogy, and Ms. Fonseca underscored Dr. Yang's 30 years of dedication to assisting minority businesses in highway construction. Mr. Sartipi then asked the council to have a moment of silence for Dr. Yang. Mr. Sartipi then discussed possible impacts of a budget impasse.

Item #2: Approval of Minutes

April 20, 2011 Meeting Minutes:

Motion: Ms. Diana LaCome; Second: Mr. Eddy Lau; Opposed: None; Approved: By consensus

Item #2: District 4 Updates

Construction Update:

Mr. Steve Whipple referred to the documents "Forecast of Upcoming Construction Projects in District 4 as of June 9, 2011" and "Awarded Projects in District 4 as of June 9, 2011" to update the council on this topic. Mr. Whipple said that Construction currently has 5 projects out for advertising, all relatively small, with the largest being \$1.9M. Bid dates range from late June to mid July. Referring to the section "Projects Bid Opened Currently Awaiting Award," Mr. Whipple said there are 22 projects, with the top 6 being contracts that have bid since the last meeting. The largest contract in this section is \$10M, with most being under \$1M. Mr. Whipple said that the smaller projects were bid very close to the engineer's estimate if not a little bit over. Mr. Sartipi said that a reason for this is that the average number of bidders has gone down from 7 to 5. Mr. Lau pointed out the Bugler Construction, the low bidder for contract #3A9801, has a track record of poor DBE achievement, less than 1%. Ms. Diana LaCome raised an issue related to a construction contract. Ms. LaCome referenced an email from Dennis Turchon

written on behalf of Mr. Sartipi and Mr. Finney. Ms. LaCome said that the council has a lot of questions about this email, and Mr. Guerrero asked Mr. Sartipi if he had approved the email before it went out because Mr. Guerrero said that he would be ashamed if it had gone out under his name. Mr. Sartipi said yes, he had, and Mr. Guerrero said that he thought Mr. Sartipi was smarter than that. Ms. LaCome said that as chair of the Construction Committee, she requested that Mr. Bob Finney and Mr. Dennis Turchon come to the next Statewide SBC Construction Committee meeting in July and explain where they got this information contained in the email because if this information is being used in District 4 then other districts are using the same information and this is really impacting and hurting small business. Ms. LaCome said it had to do with substitutions and other issues related to the State Contracting Code. Mr. Sartipi said that, at a recent Directors' Meeting, District 4 had identified as a problem the time it takes to issue emergency contracts. The core problem is that the work is being done before the emergency contracts have been approved, and Mr. Sartipi said that District 4 has asked for an accelerated approval process. This issue has also been brought up at the Statewide Construction Board Meeting by Mr. Finney. Mr. Sartipi said that Director Malcolm Dougherty, Chief Deputy Director Richard Land, and Chief Engineer Bob Pieplow know about this matter, and they realize that the current process of issuing emergency contracts is a problem. Mr. Guerrero said that Caltrans is following a bill that was enacted in 1999 and has since been removed from the Code. Mr. Guerrero questioned Caltrans' interpretation of law in the email. Mr. Sartipi said that this should be put on the agenda for the Statewide SBC, and Ms. Fonseca agreed that this discussion would be put on the agenda but questioned whether Mr. Finney would be the appropriate person to direct the questions to because Mr. Guerrero and Ms. LaCome are asking for a legal opinion. Mr. Sartipi said that he would have legal look at this.

Maintenance Update:

Mr. Stanley Ng referred to the documents "District 4 Emergency Contracts-Small Business Utilization FY 10/11 Report (dated 6/8/11) - Director's Orders Force Account" (with contract distribution bar chart and detailed information table), "Detailed Tracking for Contract #s 2G3404, 1G8104, 1G7204, and 2G3204," "District Director's Orders Force Account FY 10/11 (dated 6/8/11)," and "Director's Orders Informal Bid FY 10/11 (dated 6/8/11)," and "Doyle Drive Relocation FY 10/11 (dated 6/8/11)" (with expenditure distribution bar chart) to brief the council on this topic. Referring to the Director's Orders Force Account, Mr. Ng said that of 17 contracts totaling \$28.8M, 27% were awarded to SBEs, 73% were awarded to Non-SBEs, and 0% was Not Yet Awarded. Mr. Ng let the council know that more detailed tracking was being provided for 5 contracts (2G3404, 1G8104, 1G7204, 2G5704, and 2G3204), showing the amount awarded, the balance, the amount paid to Non-SBEs and the amount paid to SBEs. Referring to the detailed information table, Mr. Ng said that there had been 3 new contracts since the last report (2G5704, 2G5604, and 2G2604). Updated subcontractor information had been provided for 1SS254: Valentine (SBE), Ghilotti Construction, and Thomas & Pratt (DVBE/DBE). Referring to the District Director's Force Account, of 25 contracts totaling \$5.6M, 46% have been awarded to SBEs, 29% to Non-SBEs, 4% to DVBEs, and 21% are Not Yet Awarded. There were 7 new contracts since last month's reporting. Contractor information had been updated for 1F5004 (SBE Archibald) and 1SS264 (SBE Casey). Referring to the Director's Informal Bid, Mr. Ng reported that Gordon Ball was the low bidder for 4S1304. Of 2 contracts totaling \$1.2M, 36% had been awarded to SBEs and 64% was Not Yet Awarded. Referring to the Doyle Drive Utility Relocation, Mr. Ng said that there were no new numbers to report since last meeting.

Design Update:

Mr. Skip Sowko referred to the following documents: "Proposed Minor B Projects for Small Business, FY 10/11 (June 2011)" and "Proposed Projects under \$250,000 not funded from the Minor Program, to be Advertised under the Small Business Process FY 10/11 (June 2011)." Regarding 1L7101, Mr. Sowko updated the council that the most qualified bid amount came in at \$89,175 from Infiniti Engineering, and the second bidder was Engelke Construction Inc. at \$98,865. Referring to the Proposed Projects Under \$250K report, Mr. Sowko said that 3 projects were allocated at the May CTC meeting: 4S480, 4S490, and 4S500. PS&E to DPAC for these projects is scheduled for June 15th. Mr. Sowko said that 4S580 is tentatively scheduled for the June CTC meeting. Regarding 2642A, Mr. Sowko said that this project does not go through the CTC, and he is pretty sure it will go as a DBE project.

A&E Update:

Ms. Trinity Nguyen referred to the following documents dated 6/14/11 to brief the council: "Recently Executed A&E Contracts", "Recently Executed Non-A&E Contracts", "Upcoming New A&E Contracts", and "Upcoming New Non-A&E Contracts." She also referred to the following quarterly reports dated 6/14/11: "Federal Funded Contracts – DBE (RNDBE & UDBE) Status" and "Non-Federal Funded Contracts – SBE/DVBE Status Update." Of the Recently Executed A&E Contracts, Ms. Nguyen noted that on April 26th, 04A3632 had been awarded to Chaudhary & Associates. Of the Recently Executed Non A&E Contracts, there were no changes since last report. Of the Upcoming New A&E Contracts, Ms. Nguyen said that advertisement for 04A3706 (04NEW367-11) had been completed and the top ranked consultant is Signet. The DBE goal is 10.25% and the UDBE goal is 6.75%. The contract is estimated to execute in this month. Ms. Nguyen said that 04NEW368-11 was scheduled to execute in January 2012. 04NEW369-11 is scheduled to advertise on July 1st; this is a 5-year, \$25M contract. Ms. Nguyen said that 04NEW371-11 was scheduled to advertise on July 8th; this is a 5-year, \$10M contract (Ms. Nguyen corrected the typo in contract amount). Of the Upcoming New Non-A&E Contracts, Ms. Nguyen updated the council that 04NEW365-11 is advertising for 10 days starting on June 14th. Regarding 04NEW369-11 and 04NEW371-11, Mr. Lau noted that these were very large contracts, and he asked if there would be any outreach programs. Ms. Nguyen responded that 04NEW371-11 is very specialized, so the contract management team intends to do a task analysis, match up tasks with DVBEs from the listing, and proceed with an outreach aimed at DVBEs. Regarding 04NEW369-11, Ms. Nguyen said that the outreach was already done 2 months ago at the Professional Liaison meeting. Mr. Lau said that he is more concerned with micro-businesses than DVBEs, because in very large contracts like these, very small firms get wiped out. Mr. Lau said that extra effort is necessary to include very small firms. Ms. Nguyen said that she does not anticipate issues for 04NEW369-11 because in the past METS contracts have had very high achievement. For the highly specialized 04NEW371-11 contract, Ms. Nguyen said District 4 may have to ask for an exception on the goals if the necessary firms cannot be identified. Mr. Lau asked that Ms. Nguyen consider technology transfer. Mr. Derek Pool reiterated Ms. Nguyen's comment that the Toll Bridge Small Business Program will be working with Consultant Services on 04NEW371-11, as well as with Design, on developing a focused outreach. Mr. Sartipi asked if micro-businesses were included in the RFP, and Ms. Nguyen said that she would look into it. Ms. Nguyen said that Consultant Services will include micro-businesses in its outreach plan. Referring to DBE Utilization, Ms. Nguyen reported that the Total Proposed Non-UDBE Goal was 14%, the Total Non-UDBE Achieved to Date was 26%, and the Statewide Non-UDBE Goal was 6.75%; the Total Proposed UDBE Goal was 11%, the Total UDBE Achieved to Date was 21%, and the Statewide UDBE Goal was 6.75%; and the Total Proposed DBE Goal was 23%, the Total DBE Achieved to Date was 28%, and the Statewide DBE Goal was 13.50%. Mr. Guerrero asked Ms. Nguyen to provide a subtotal

of lines 1-16, a subtotal of lines 17-35, and then a grand total, and Ms. Nguyen said that she would make those changes. Mr. Guerrero asked what a "Non-UDBE" was, and Ms. Nguyen said that in the "pie" that is DBE, one slice is made up of UDBEs and the other slice is made up of Non-UDBEs. There is a contractual requirement to track UDBEs; tracking Non-UDBEs is considered aspirational. Non-UDBEs are DBEs that do not fall into one of the 4 UDBE groups. Mr. Guerrero asked what the contracts in lines 17-35 were, and Mr. Sartipi said that they were advertised under the DBE program. Mr. Lau asked if the summary at the bottom of the report was only of subcontractors, and Ms. Nguyen said that the summary included any DBE that was performing the work, whether sub or prime. What is being tracked is who was actually doing the work. Ms. LaCome asked Ms. Nguyen to clarify the description of the summary, and Ms. Nguyen said that she would look at it and clarify it as much as possible. Mr. Sartipi told Ms. Nguyen to make a note that these changes were requested by the Council. Referring to the SBE-DVBE Utilization, Ms. Nguyen noted that the Average Proposed DVBE was 5%, the Total DVBE Achieved to Date was 7%, and the Statewide DVBE Goal was 5%. In addition, the Average Proposed SBE was 32%, the Total SBE Achieved to Date was 34%, and the Statewide SBE Goal was 25%.

Toll Bridge Program Update:

Mr. Derek Pool said that Ms. Pat Padilla could not be at the meeting because of a last minute commitment and then referred to the following documents to update the council: "Final Small Business and DVBE Utilization Report, Oakland Touchdown 1, Contract #04-0120L4, MCM Construction," "SB/DVBE Contractor Commitment Report, YBITS, Contract #04-0120S4, last updated 6/15/11," and "SB/DVBE Project Commitment and Attainment Report Summary / D4 Council Member Summary, dated 6/15/11." Referring to the Final Report for OTD1, Mr. Pool said that, with regards to Utilization, the Contract Bid Award Amount Plus Eligible CCOs was \$179.5M with 24.2% SB participation. Administrative CCOs were excluded. With regards to Payments, the Local SB/DVBE Payments totaled \$35.5M and the number of Local SB/DVBEs was 18. Mr. Pool said that it was a pleasure doing business with MCM and everyone learned a lot. Mr. Pool said that there will be a public acknowledgement of MCM's efforts on the Toll Bridge SB Program's website as a next step. Referring to the YBITS Commitment Report, Mr. Pool highlighted that there were 28 new businesses since last report with an increase in SB/DBVE/DBE commitments of almost \$8M. Mr. Pool pointed out to the council that the "S" at the top right hand corner of the page was in response to Mr. Guerrero's request at the April meeting to have state-funded contracts clearly identified. In addition, Mr. Pool let the council know that DVBE D&L Concrete Pumping had to pull out because of health reasons and can't fulfill their obligations. This subcontractor had \$5M of work at time of award, and MCM is working with labor compliance in arranging a substitution. Referring to the Council Member Summary, the total of SB/DBVE/DBE commitments for Antioch is \$1.58M, an increase of \$361.9K from last report. There are no real changes in the Dumbarton contract other than the addition of 1 subcontractor: Insulation, Acoustics, Drywall and Plastering, Inc. Regarding SSD/YBID, Mr. Pool said that there were no new subcontractors since last report, and he highlighted that local participation represents 75% of the total SB/DBVE/DBE commitment. There will be a final closeout report for SSD/YBID next month. Regarding SAS, Mr. Pool said that there were no updates that he could provide for this contract because of bigger picture issues still ongoing [Action Item #1510].

D4 Small Business Update:

Mr. Paul Pendergast provided a report on the Doyle Drive projects and handed out the following documents: "Increasing Your Competitive Edge: Creating an Effective 'Line Card,' a Free Workshop for DBE / UDBE / SBE / DVBE Contractors," "DBE / UDBE Trucking Program Tracking, Monitoring

& Reporting,” and “UDBE / DBE / SBE / DVBE Participation Roll Up Report.” Mr. Pendergast said that he recently attended a 1-day FHWA, SFMTA, and Doyle Drive sponsored conference which was very helpful and informative for DBEs and UDBEs. He also let the council know that on July 7th there would be a business development workshop in the D4 Auditorium put on by District 4, Pendergast & Associates and NAMAC. One tangible benefit of the workshop will be that each participant will meet with a graphic designer to create a line card. Mr. Pendergast introduced Mr. Derf Butler who presented to the council an IT solution using the iPad to track trucking to ensure that only DBE and UDBE truckers are performing the work. Ms. LaCome suggested that Mr. Pendergast share this information with District 7 because they have had problems for a long time with trucking. Mr. Pendergast said that Mr. Butler would be happy to demonstrate this IT solution. Mr. Pendergast then presented updates on Contracts 3 and 4.

Proposed Service Contracts over \$5K Report:

Mr. Osayahde Nesbitt referred to the report “Proposed Service Contracts over \$5K-Maintenance, Administration, and Right of Way dated June 14, 2011” and “Division of Procurement and Contracts (DPAC) Weekly Contracts Status Report for Week of May 30, 2011 dated June 6, 2011. Mr. Nesbitt said that 2 contracts from the last report are now in DPAC and there were no new contracts. Mr. Nesbitt expects that after the new fiscal year begins, more contracts will be moving into DPAC.

Item #4: Review of Action Items

Action Item #1510 is ongoing: Mr. Crocker read into the minutes the text of the action item: *“Mr. Jesus Vargas asked Mr. Pool to provide the number of contractors who have received 17% of the work for the \$148M augmentation of the SAS contract.”* Mr. White also read a note from the 2/16/11 meeting: *“At the 2/16/11 meeting, Mr. Pool said that information was not obtainable at this time because of a confidential matter being handled internally.”* Mr. Sartipi said that Mr. Pool had alluded to this issue in his report and this action item would still be labeled “ongoing” because the confidential matter is still in progress [NOTE: see page 4 of this document].

Item #5: New Business

Mr. Nigel Blampied announced that he will be retiring on August 15th and said that he appreciated his time working with the Small Business Council. Mr. Sartipi congratulated him and thanked him for his work.

Item #6: Adjourn

Mr. Sartipi adjourned the meeting and let the council know that the next D4 SBC meeting would be on August 17, 2011.

District 4 Small Business Council Action Items as of June 15, 2011:

No.	Item	Assignee	Date	Status	Notes
1510	Mr. Jesus Vargas asked Mr. Pool to provide the number of contractors who have received 17% of the work for the \$148M augmentation of the SAS contract.	Pool	8/18/10	Ongoing	<p>NOTES:</p> <ul style="list-style-type: none"> • At the 10/20/10 meeting, Mr. Vargas' 8/18/10 request was identified as an action item; and Mr. Pool said that the Toll Bridge Program had not completed its validation of these numbers. Mr. Pool said that he would continue pursuing this information. • At the 12/15/10 meeting, Mr. Pool was not in attendance. • At the 2/16/11, 4/20/11, and 6/15/11 meetings, Mr. Pool said that information was not obtainable at this time because of a confidential matter being handled internally.

District 4 Small Business Council Items Deferred to Statewide Council as of June 15, 2011:

No.	Item	Assignee	Date	Status	Notes
1706s	DDD Hess will examine existing web-based registration for contractors with Office of Civil Rights	LaCome	4/12/06	Ongoing	
3206s	Elevate the concerns of the District 4 Small Business council regarding Caltrans' plan to implement the new insurance limits on January 1, 2007.	LaCome	9/13/06	Ongoing	
2008s	Reevaluation of the Good Faith Effort (GFE) Process for DBE and DVBE Outreach by HQ Civil Rights	LaCome	4-16-08	Ongoing	
2508s	Mr. Guerrero wanted to know how quickly newly certified small businesses--who submit their names "via the web"---get on D4 Maintenance's Emergency Contact Information list	Guerrero	4-16-08	Ongoing	
2908s	Mr. Guerrero requested that that all of the action items deferred to Statewide SBC be followed up on and that the Statewide SBC report back to the D4 SBC as to how these action items have been dealt with or resolved.	Guerrero	4-16-08	Ongoing	<u>6/16/10 Update:</u> Mr. Guerrero said that he would follow up on this action item. Mr. White reminded the council that the Statewide Action Items are assigned to individual D4 SBC members and it is their responsibility to follow up and report back to the D4 SBC.
1009s	Mr. Guerrero requested that the HQ Office of Civil Rights ensure that DVBE goals are included in all state-funded projects.	Guerrero	1-21-09	Ongoing	
1709s	Caltrans does not track DBE participation (only UDBE), at the end of the year it would report -0- participation. If you achieve -0-	Guerrero & Camacho	6-17-09	Ongoing	

	participation by race neutral means, and fail to meet the race neutral goal, you have to go to a race conscious goal. Is this correct?				
1710s	Regarding contract #0435E1 and #2A5431, Mr. Lau noted each contract's very low achievement (0% and 1.90%, respectively) and the mundane /unspecialized nature of the work. Mr. Lau questioned Ms. Alicia Sequeira of HQ Civil Rights regarding why Civil Rights approved these contractors as fulfilling their Good Faith Effort. Mr. Lau said that from his perspective, Civil Rights should not have approved the Good Faith Effort on either contract.	LaCome	2-16-11	New	

"s" designates a Statewide SBC action item

2011 District 4 Small Business Council Meeting Schedule
All meetings will be held in the Executive Conference Room, 15-240

Month	Date & Time
August	Wednesday, August 17, 2011 1:00 pm – 2:30 pm
October	Wednesday, October 19, 2011 1:00 pm – 2:30 pm
December	Wednesday, December 21, 2011 1:00 pm – 2:30 pm