

DEPARTMENT OF TRANSPORTATION

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September 14, 2012

Mr. Vincent Mammano
California Division Administrator
Federal Highway Administration
650 Capitol Mall, Suite 4-100
Sacramento, CA 95814

Dear Mr. Mammano:

Enclosed is the California Department of Transportation's (Caltrans) Disadvantaged Business Enterprise (DBE) Overall Annual Goal and Methodology for Federal Fiscal Year (FFY) 2013-2015.

Caltrans requests your review and approval, pursuant to 49 Code of Federal Regulations (CFR) Part 26, Section 26.45, to continue with the established DBE program and proposed goal for its federally-assisted highway projects. As you know, Caltrans commissioned a Disparity Study (Study) to determine whether discrimination continues to exist in the conduct of the State transportation program. Caltrans accepted the Study and its findings in August 2012. The results from the Study were used in formulating the goal and methodology contained in the submittal for FFY 2013-2015.

Caltrans established a proposed overall DBE goal of 12.5 percent for FFY 2013-2015. The overall goal is to be achieved, in split proportions, through race-neutral and race-conscious measures. Additionally, as required by 49 CFR section 26.15 for FFY 2013-2015, Caltrans will be requesting a waiver to implement a race-conscious goal of limited application to five identified groups: African American, Asian Pacific American, Women, Hispanic American, and Native American businesses.

Caltrans will initiate the 45-day public participation period for the FFY 2013-2015 goal and methodology on September 14, 2012. Caltrans will submit the results of the public comment period and consultation to the Federal Highway Administration by November 9, 2012. Caltrans will continue to evaluate the DBE data for any necessary adjustment to the FFY 2013-2015 overall goal and measures.

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If you have any questions or need further assistance, please contact Ms. René Halverson, Assistant Director, Office of Business and Economic Opportunity at (916) 324-0990 or via e-mail at rene_halverson@dot.ca.gov.

Sincerely,



FOR

MALCOLM DOUGHERTY
Director

c: René Halverson, Assistant Director, Office of Business and Economic Opportunity, Department of Transportation

Enclosure

**CALIFORNIA DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
DISADVANTAGED BUSINESS ENTERPRISE
GOAL AND METHODOLOGY**

Federal Fiscal Year 2013-2015

Executive Summary

The California Department of Transportation (Caltrans) submits this Federal Fiscal Year (FFY) 2013-2015 goal and methodology to the Federal Highway Administration (FHWA) pursuant to 49 Code of Federal Regulations (CFR) sections 26.45, for federally assisted highway contracts. For FFY 2013-2015, Caltrans will continue its Disadvantaged Business Enterprise (DBE) Program with a revised goal of 12.5 percent, without a Step Two adjustment as stated below.

Goal-Setting Methodology – Section 26.45

Caltrans followed a two-step process for setting its overall DBE goal.

- Step One describes the calculation of a base figure for the relative availability of DBEs.
- Step Two is the examination of all the evidence available to determine if an adjustment to the base figure is needed to arrive at the overall goal.

Step One Base Figure – Section 26.45(c)

In order to establish the base figure, Caltrans commissioned an Availability and Disparity Study (Study) that was completed by BBC Research & Consulting (BBC) on August 31, 2012.

The Study:

- Analyzed use and availability of minority/women-owned firms in California transportation contracts.
- Examined other quantitative analysis of marketplace conditions.
- Reviewed anecdotal information from in-depth interviews with over 100 business owners and others across California.
- Analyzed oral and written testimony from businesses, trade associations, and other organizations at the 12 public hearings held by Caltrans in May 2012; one hearing was held at each District located in Bishop, Eureka, Fresno, Irvine, Oakland, Los Angeles, Redding, Sacramento, San Bernardino, San Diego, San Luis Obispo, and Stockton, and 2 Stakeholders Discussion Groups in Sacramento and 2 Stakeholders Discussion Groups in Los Angeles held in February and June 2012.

Summary of the Base Figure Analysis

To examine relative availability of minority/women-owned firms, a custom census was conducted of business firms related to transportation contracting work in the California marketplace and analysis of more than 2,940 contracts from 2007 through 2010 and determined the following:

1. Thirty-three percent of firms available for federally funded transportation construction and engineering work are minority/women-owned. Caltrans did not use this figure as availability for the share of federal funds going to minority/women-owned firms, since not all of these firms are available for every type and size of transportation-related work.

2. The Study examined contract type, location, and award size of work involved with Caltrans contracts and Local Assistance federally funded contracts and firms available to do this work. BBC determined the dollar-weighted availability of minority/women-owned firms is 18.1 percent after considering the size, type of work, and locations of the federally assisted transportation contracts and subcontracts in recent years.
3. When examining firms that appear to meet the U.S. Department of Transportation (USDOT) DBE a certification guideline, the dollar-weighted availability figure for minority/women-owned firms was calculated to be 12.5 percent.

Available Firms Surveyed for Transportation Contracting Work

To identify minority/women-owned firms available for public transportation construction and engineering work in California, BBC conducted a telephone survey of California business firms related to transportation contracting. BBC selected California as the relevant geographic market area for the availability analysis, because 98 percent of all 2007 through 2010 transportation construction and engineering project dollars going to prime contractors, or subcontractors, went to firms with offices in California.

Firms contacted in the survey were those listed by Dun & Bradstreet as doing business most pertinent to Caltrans transportation construction and engineering contracts. BBC attempted to reach 46,196 business listings. Of these listings, 13,439 were out of business or otherwise did not have valid phone numbers, leaving 32,757 business establishments with valid phone listings. BBC successfully interviewed 15,499 (or about 47 percent) of the business establishments with valid phone numbers, a relatively high response rate for a business survey.

Of the 15,499 firms interviewed, 3,377 were for-profit firms reporting they performed work related to transportation construction, maintenance, or design and are qualified and interested in performing transportation-related work for Caltrans and/or local governments in the future, or had attempted to obtain transportation-related work in the public sector. These firms also identified the regions of California in which they could perform work. Of these 3,377 firms in the transportation construction and engineering industry, 33 percent reported that they were minority/women-owned firms.

Weighted Relative Availability

In the base figure analysis, the Study weighted relative availability of minority/women-owned firms using a methodology that builds upon the guidance USDOT provided in *Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program*.¹ BBC examined type of work, size, contract role, and location of work involved in federally funded projects and the relative availability of minority/women/majority-owned firms to perform that work. The Study developed information for more than 2,940 contracts from 2007 through 2010, including contracts using FHWA funds administered through Caltrans that were awarded by local governments or others in California.

BBC determined 12.5 percent of dollars on FHWA-funded contracts would be expected to go to certified DBEs and potential DBE firms based on the type, size, contract role, location, and time frame for these contracts and subcontracts.

¹ Tips for Goals Setting in the Disadvantaged Business Enterprise (DBE) Program, <http://osdbu.dot.gov/?TabId=133>.

FFY 2013 FHWA-assisted Contracts

Caltrans will receive approximately \$3 billion in federal-aid highway program assistance during the next three FFYs which is expected to be similar to the types of contracts studied in the Disparity Study by the types of work, sizes, and locations of contracts. These contracts include such things as roadway widening and rehabilitation, repairing storm damage, replacing bridges, constructing high-occupancy vehicle lanes, installing and/or repairing median barriers, and converting two-lane to four-lane expressways.

Resulting Baseline Goal

Caltrans considers 12.5 percent DBE participation as the base figure for its overall DBE goal for FFY 2013-2015.

Step Two Adjustments – Section 26.45(d)

Caltrans examined a broad range of evidence in the Study when considering possible Step Two adjustments to the base figure. The Study contained the types of information for a possible Step Two adjustment that are outlined in the DBE Program, including:

- Current capacity of DBEs to perform work on FHWA-assisted contracts, as measured by the volume of work DBEs have performed in recent years.
- Data on employment, self-employment, education, training, and union apprenticeship programs.
- Information on the ability of DBEs to obtain financing, bonding, and insurance.

About four of five minority/women-owned firms counted in the base figure are noncertified. Caltrans experience, other state departments of transportation, and the Study research indicate encouraging firms to become DBE-certified will continue to be a challenge. When a sample of DBE-eligible, but noncertified minority/women-owned firms were interviewed, most business owners knew of DBE certification and were interested in certification, but had not previously pursued certification. Common reasons for the lack of interest in becoming or obtaining certification are:

- Certification documentation requirements under 49 CFR Part 26 are complex.
- Documented proof of business ownership, control, and management is extensive and time consuming.
- Some business owners see the requirements to submit business and personal information as intrusive.

Caltrans considered the DBE attainment over the last 4.5 years. As shown in the chart below, DBE attainment was lower under a wholly race-neutral DBE program. Caltrans may only count certified DBEs in the DBE utilization reports prepared and submitted to FHWA. The following table summarizes Caltrans DBE attainment as reported for the last 4.5 years:

Federal Fiscal Year	Goal	DBE Attainment
2012*	13.5%	7.99%
2011	13.5%	7.20%
2010	13.5%	7.40%
2009	13.5%	3.40%
2008	13.5%	4.10%

*six month report for FFY 2012

Although noncertified minority/women-owned firms are counted as potential DBEs in determining the base figure, they cannot be counted as DBEs in the utilization report. Caltrans properly took into account these facts when considering any Step Two adjustments to the base figure. This factor may lessen in importance in the future, if a larger number of minority/women-owned firms choose to become certified DBEs.

Some factors examined suggest a downward adjustment to the base figure. Those factors include past levels of DBE utilization, when race-conscious DBE goals were in place, and data concerning the number of eligible, but noncertified, minority/women-owned firms.

Additionally, BBC's analysis suggests that there are numerous barriers to entry and expansion in the transportation construction and engineering industries that may begin with education and training and continue through forming a business and gaining access to capital.

- **Education.** Lack of college education appears to be a barrier for African Americans, Hispanic Americans, and Native Americans, which ultimately affects representation of these groups in the California engineering industry. Disparities in educational attainment for African Americans and Hispanic Americans appear to be at high school level, which may affect college opportunities and enrollment into engineering programs. These factors may affect the number of African Americans, Hispanic Americans, and Native Americans working as engineers.
- **Employment.** Employment of African Americans in the construction industry is relatively low compared to other industries in California, even among entry-level jobs. The employment of women in construction as a whole is relatively low, and very few women in the construction trades are involved in transportation construction. Employment of Hispanic Americans in the construction industry is considerably higher than for all industries as a whole (48 percent in construction and 34 percent in all industries in California).

There is also low employment of women among civil, environmental, and geological engineers in California that cannot be explained by overall levels of college education.

- **Advancement.** There appears to be disparities in the advancement of Hispanic Americans to certain construction occupations and first-line supervisory positions. Compared to non-Hispanic whites (and men), relatively few African Americans, Hispanic Americans, and women working in construction are managers.

- **Business formation and ownership.** BBC examined U.S. Census data on business ownership rates using similar methods to the information reviewed in the court cases involving the Illinois and Minnesota Departments of Transportation.

African Americans, Hispanic Americans, and women working in the California construction industry are less likely than non-Hispanic whites to own construction businesses. BBC, through regression analysis, identified statistically significant disparities after controlling for neutral factors. If qualified members of these groups working in the construction industry owned businesses at the same rate as non-Hispanic whites (and men), then there would be about twice as many construction firms owned by African Americans, Hispanic Americans, and women in California.

Subcontinent Asian American, Asian-Pacific Americans, and Hispanic Americans, own engineering businesses at rates that are substantially lower than those non-Hispanic whites who share the same personal characteristics. Similar to those results, non-Hispanic white women own engineering businesses at about two-thirds the rate that would be expected based on the simulated business ownership rates of non-Hispanic white males who share the same personal characteristics.

- **Rates of business closure.** BBC analyses found that African American-owned firms in California, in general, are more likely to close than other firms.
- **Access to capital.** There is evidence that minority-owned firms face disadvantages in accessing capital necessary to start and expand businesses.
- **Business capital from home equity.** Home equity is an important source of capital for business start-up and growth.
 - Relatively fewer African Americans, Hispanic Americans, and Native Americans in California own homes than non-Hispanic whites, and those who do own homes tend to have lower home values.
 - African Americans, Hispanic Americans, and Native Americans applying for home mortgages are denied at higher rates than non-Hispanic whites.
 - All minority mortgage borrowers are more likely to have subprime loans.
- **Business loans.** BBC also identified disparities in access to business loans for certain minority groups. African American and Hispanic American-owned businesses have higher denial rates when applying for business loans, and when they receive loans they have smaller loan amounts. After accounting for certain neutral influences, firms owned by African Americans and Hispanic Americans remain significantly more likely to have their loans denied than other firms.

Relatively more African American and Hispanic American-owned firms that need credit do not apply for loans because they fear being denied the loan.

- **Bonding.** Interviews with business owners and trade associations indicated difficulty obtaining bonding for small and new construction contractors in California. Problems in obtaining bonding were reported in interviews with minority/women-owned firms and nonminority-owned firms. Minority/women-owned firms in the transportation contracting

industry in California are more likely to be small businesses than majority-owned firms and, therefore, may be adversely affected by barriers in obtaining bonding.

- **Insurance.** Similarly, some small business owners had problems obtaining insurance as required for Caltrans projects.
- **Largest bids of minority/women-owned firms.** In the Availability Survey, BBC asked firms in the transportation construction and engineering industry to identify the largest contract and subcontract a firm had received or bid on in the past five years. There were some minority groups for which “bid capacity” lagged behind other firms, but these disparities were explained by the firm’s specialization and age.²
- **Business earnings.** The Study reports U.S. Census data on earnings of business owners in construction and engineering. BBC identified disparities in earnings of firms in California for certain minority groups and for women:
 - o In the California construction industry, minority and female owners of construction businesses tended to earn less than non-minorities and men.
 - o In the California engineering industry, Asian American business owners had earnings equal to or greater than non-Hispanic white business owners.
 - o Business owners for other minority groups combined had lower earnings than non-Hispanic business owners of engineering firms.
 - o Female business owners had lower earnings than male business owners.

BBC performed statistical analyses of business ownership rates. BBC identified that business ownership rates for certain groups would be higher than observed rates—statistically significant different rates after controlling for other factors.

BBC performed additional calculations to quantify the effect of adjusting the base figure for the statistically significant differences in ownership rates described above. The result of the analyses would determine an upward adjustment to be 39 percent higher than the 12.5 percent base figure for DBE participation, which is equal to 17.6 percent.

The Disparity Study team and Caltrans also reviewed Disparity Studies performed by other local governments (LA Metro, San Diego and Burbank airports, SANDAG, OCTA, MTS and Metrolink). Participants in the Caltrans study reported similar challenges in starting and owning businesses as individuals who were interviewed or provided oral comment during these Disparity Studies.

Additional information on Disparity Studies conducted within the State can be found in Appendix L of the 2012 Study.

Caltrans decided for the above reasons not to make any Step Two adjustments to the base figure for the overall DBE goal. Caltrans will continue to encourage DBE certification and annually monitor the base figure for potential adjustment.

² The extent to which minority/women-owned firms tend to be younger and in different subindustries than majority-owned firms may not be an entirely “neutral” explanation for disparities in bid capacity if past discrimination has influenced whether there are relatively few older Minority Business Enterprise/Women Business Enterprises (MBE/WBE) firms or the relative concentration of MBE/WBEs in different subindustries.

Public Participation Section 26.45(g)

Consultation

Caltrans has conducted year-round consultation by hosting monthly Statewide Small Business Council (SBC) and committee meetings. In turn, the SBC members and committee members met with their individual organizations to provide feedback to Caltrans.

Additional consultation in the year included meetings with non-DBE organizations such as:

- Associated General Contractors.
- Associated General Contractors of San Diego.
- United Contractors Association.
- American Council of Engineering Companies - California.
- Southern California Contractors Association.
- California Public Utilities Commission.
- California Small Business Association.

Caltrans also participated in the following statewide and local chamber of commerce meetings:

- California Hispanic Chamber of Commerce.
- California Black Chamber of Commerce.
- California Asian American Chamber of Commerce.
- California American Indian Chamber of Commerce.

Stakeholder Discussion Group: Consisted of prime contractors, DBEs, and Local agencies.

Caltrans continued to have over 1,000 one-on-one discussions on the goal and methodology and race-neutral measures with small businesses (SB), DBEs and minority/women-owned firms as they sought help on how to do business with Caltrans. Based on the public consultations and discussions throughout the year, DBEs and non-DBEs identified barriers as:

- Access to capital.
- Financial limitations.
- Bonding.
- Prompt payment.
- Access to insurance and/or limits requirements too high.
- Certification process is too long, too difficult, too costly, and need help to complete the application.
- Recertification should not require documentation be resubmitted unless there was significant business structure changes.
- Projects are too large; therefore, very few DBEs can act as primes.
- DBEs have more success in the private sector as there is less competition, more profit, greater accessibility, and less bureaucracy.
- Primes do not engage in a genuine “good faith effort.”
- Enforcement of the “good faith effort” submitted by primes is desired.
- Bidding process was costly and time/labor intensive.

- Internet access and knowledge.
- Auditing of public professional service contracts is not efficient and is unfair.

These comments obtained within the last year are identical to the comments received during the anecdotal interviews and public hearing testimony collected by BBC for the Study.

Published Notice

On September 14, 2012, Caltrans will publish a public notice requesting comment on the proposed FFY 2013-2015 overall DBE goal and methodology. The FFY 2013-2015 overall DBE goal and methodology will be made available at the Caltrans Office of Business and Economic Opportunity, via the Caltrans' Web site, and by e-mail. The public notice will be listed in the following publications:

<i>Appeal Democrat</i>	<i>La Oferta</i>	<i>Record Searchlight</i>
<i>Bakersfield News Observer</i>	<i>La Opinions</i>	<i>Sacramento Bee</i>
<i>Black Voice</i>	<i>LA Times</i>	<i>Sacramento Observer</i>
<i>Daily Construction Service</i>	<i>Los Angeles Sentinel</i>	<i>San Diego Union</i>
<i>DBE Good Faith.com</i>	<i>Mercury News</i>	<i>Sing Tao</i>
<i>Dodger Construction News</i>	<i>Miniondas</i>	<i>The Record</i>
<i>Eastside Sun</i>	<i>Oakland Post</i>	<i>The Sun</i>
<i>El Chicano</i>	<i>Oakland Tribune</i>	<i>The Tribune</i>
<i>International Daily News</i>	<i>Orange County Register</i>	<i>Time Standard</i>
<i>Inyo Register</i>	<i>Philippine News</i>	<i>Vietnam Daily News</i>
<i>Korea Times</i>	<i>Press-Enterprise</i>	<i>World Journal</i>
	<i>Rafu Shimpo</i>	

Comments

Caltrans will review and respond to all public comments solicited by the public notice.

Overall DBE Goal for FFY 2013-2015 and Race/Gender- Neutral/Conscious Measures – sections 26.45(e) and 26.51

Race-Neutral/Conscious Projection

Based on the information collected and data reviewed, Caltrans has established an overall annual goal of 12.5 percent DBE participation for FFY 2013-2015. This overall goal is expected to be achieved in proportions of 3 percent with race-neutral measures (median by past participation, FFY07 - 6.6%, FFY08 – 4.6%, FFY09 – 2.7%, FFY10 – 2.9%, FFY11 2.5%) and the remaining balance of 9.5 percent met through race-conscious measures. As more data on the utilization of DBEs becomes available and information is obtained during the public comment period, future modifications to the proportions may prove to be necessary. Future adjustments, if any, would be based on the effectiveness of each adopted measure with respect to the various groups and the different geographical areas of the State.

Information Relied Upon

Information relied upon included, but was not limited to, the Disparity Study and other information Caltrans gathered during the study and in process of conducting the DBE program. Caltrans provides key excerpts of information below:

Information gathered from the qualitative research (summarized in Chp3 of the 2012 study) suggested that the recent economic downturn has a substantial impact on the transportation contracting industry, and the market conditions substantially worsened between the beginning of the study period and the end of 2010. The qualitative evidence indicated that these conditions may have a negative impact on small businesses, particularly minority-and women-owned firms.

Utilization results for 2007-2008 and for 2009-2010 are consistent with deteriorating conditions for MBE/WBE. Figure ES-3 in the 2012 study compares MBE/WBE and DBE utilization on Caltrans and local agency contracts awarded in the 2007-2008 period versus the 2009-2010 period. Overall MBE/WBE utilization dropped from 13.2 percent in 2007-2008 to 11.8 in 2009-2010. The deterioration occurred while Caltrans and local agencies used race-and gender-conscious measures on its FHWA-funded contracts after early to mid-2009. Although the UDBE contract goals appeared to increase the utilization of certified DBEs during the 2009-2010 periods, overall marketplace conditions resulted in an overall decrease in the utilization of minority- and women-owned firms.

The study team compared disparity results for contracts awarded during 2007 and 2008 with contracts awarded during 2009 and 2010, which are provided in Figure ES-4 of the 2012 study. It appears that overall disparities for MBE/WBEs were more severe in 2009-2010 than the first half of the study period. There were no MBE/WBE groups for which utilization matched availability during 2009-2010.

Disparities for 2009-2010 contracts were substantial for firms owned by:

- White women;
- African Americans;
- Asian-Pacific Americans;
- Hispanic Americans;
- Native Americans;

The disparity for Subcontinent Asian American-owned firms in 2009-2010 was not at a level to be identified as substantial.

BBC calculated a disparity index on the relative utilization and availability of minority/women-owned firms. The overall MBE/WBE disparity index for federally assisted contracts with DBE project goals is below 80 when an index of 100 is needed for parity. An index below 80 has been deemed by some courts to constitute a substantial disparity. BBC conducted additional disparity analyses for specific types of contracts by race, ethnicity, and gender ownership of firms and for different State regions. There was evidence of disparities for both:

- Construction and engineering.
- Prime contracts and subcontracts

There were disparities across most Caltrans districts. Depending on the type of contract, disparities between utilization and availability were most severe (below the 80 disparity index) for: (Disparity indices seen below, show contracts awarded during 2009-2010)

- African American – Disparity Index 25
- Asian Pacific American – Disparity Index 69
- Women – Disparity Index 70
- Hispanic Americans – Disparity Index 61
- Native American – Disparity Index 65

Consistent with narrow tailoring the Caltrans DBE Program, Subcontinent Asian American (Disparity Index of 87) owned firms will not be included in the individual race-conscious contract goal setting. If future data gathering by Caltrans indicates there is significant disparity between the percent of available contractors and subcontractors from these groups and the percent of contract dollars awarded to these groups, they will be included in the individual race-conscious contract goal setting.

Race-Neutral Measures

Caltrans currently has a broad range of neutral measures in place to encourage the participation of all small businesses – including DBEs – in its transportation contracts. The agency plans on continuing the use of those measures in the future. Caltrans’ race- and gender-neutral efforts can be classified into four categories:

- Business outreach and communication with DBEs and construction industry.
- Technical assistance and training via supportive services contracts.
- Improved contracting processes.
- Data collection, monitoring, and reporting of DBEs

Additional individual measures can be found in Ch9 figure 9-4 of the 2012 Study.

One of the most successful measures has been providing DBE Supportive Services that consist of technical training and one-on-one technical assistance to DBE firms. Caltrans is currently in the process of re-establishing similar types of contracts to enhance the participation of DBE’s.

Another successful measure has been the appointment of Small Business (SB) liaisons in each of the 12 district offices as a point of contact for SB firms, including DBEs, in those geographic areas as well as for focused outreach, such as local procurement fairs and SB events.

DBE Program highlights in FFY 2012 include:

- The Small Business Administration and Caltrans signed a Memorandum of Understanding for a Surety Bond Guarantee Program to provide free assistance to DBEs. It is the first such partnership in the country.
- Caltrans established several workgroups with members from the Associated General Contractors (AGC), American Council of Engineering Companies (ACEC), United Contractors (UCON), National Concilio of America, California Small Business Entrepreneurs, Asian American Architects and Engineers, Chambers of Commerce, and

Southern California Native American Tribes; to collaborate on several areas, such as, increasing DBE participation, DBE data collection, outreach, good faith effort, and others.

- Performance Bond requirements for Minor B projects have been waived.
- Caltrans created a DBE brochure.

Caltrans continues to maintain a Bidders List on the Caltrans Office Engineer (OE) Web site. In addition, an “opt-in” feature has been added to the OE Web site to allow subcontractors or suppliers to express their interest and be considered for providing bids on projects they select without having to order a plan set. Prime contractors can also use this feature to search for nonbidding plan holders to meet the DBE goal or make a good faith effort.

Caltrans FFY 2013-2015 efforts will focus on:

- Continue to expand the Cal-Mentor/Mentor-Protégé Program statewide which includes construction, as well as architectural and engineering.
- Regularly scheduled Mandatory Pre-Bid conferences in all districts.
- Expanding the Web site for easier access to information needed by SB and DBE firms and links to other supportive services, local agencies, and technical assistance.
- Establishing relationships with financial institutions, surety companies, and insurance companies to market Caltrans opportunities in conjunction with SB and DBEs.
- Looking for opportunities to package smaller contracts.
- Increasing the number of certified DBE firms.

Race-Conscious Measures

The race-conscious goal will be achieved by:

- Setting a UDBE goal on individual contracts based upon the type of work included in each contract and on the availability of the five targeted groups capable of performing such work.
- Using Appendix A, Good-Faith Effort Standards, to justify the award when the goal is not met.
- Encouraging prime bidders to use DBEs, whenever possible, as a race-neutral component.

Waiver of Prohibition on the Use of Group Specific Goals Section §26.15. A portion of the overall goal will be met using race-conscious measures. Caltrans will be requesting a waiver to implement race-conscious goals of limited application to five identified groups.