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September 10, 2009

Mr. Walter C. Waidelich, Jr.
Division Administrator
Federal Highway Administration
California Division
650 Capitol Mall, Suite 4-100
Sacramento, CA 95814

Dear Mr. Waidelich:

Enclosed is the California Department of Transportation's (Caltrans) Disadvantaged Business Enterprise (DBE) Overall Annual Goal and Methodology for Federal Fiscal Year (FFY) 2010 in accordance with your letter dated September 1, 2009.

Caltrans requests your review and approval, pursuant to 49 Code of Federal Regulation (CFR) section 26.45, to continue with the established overall DBE goal for its federally assisted highway projects. As you know, following a 2005 Ninth Circuit Court of Appeals decision, Caltrans commissioned a Disparity Study (Study) to determine whether discrimination exists in the conduct of the State transportation program. Caltrans accepted the Study and its findings in July 2007. The results from the study were used in formulating the goal and methodology contained in the submittal for FFYs 2007, 2008, and 2009.

Caltrans established a proposed overall DBE goal of 13.5 percent for FFY 2010. The overall goal is to be achieved, in equal proportions, through race-neutral and race-conscious measures. Additionally, as required by 49 CFR section 26.15 Caltrans requested a waiver to implement a race-conscious goal of limited application to four identified groups: African American, Asian Pacific American, Women, and Native American businesses. In a letter dated August 7, 2008, from U.S. Department of Transportation, Caltrans obtained approval of the waiver for three years. The Caltrans goal for FFY 2010 is identical to the FFY 2009 goal for the following reasons:

1. The goal, methodology, and approach come from the Study findings.

2. Federal Highway Administration (FHWA) approved the FFY 2009 goal and methodology on April 2, 2009; however, four months of data under a partial race-conscious program is not sufficient time and data to amend its goal, methodology or approach.

Caltrans will initiate the 45-day public participation period for the FFY 2010 goal and methodology and will submit the results in an amendment to the FFY 2010 DBE Goal and Methodology. Caltrans will continue to evaluate the DBE data for any adjustment to the overall FFY 2010 goal and measures.

If you have any questions, please contact Olivia Fonseca, Deputy Director, Civil Rights, at (916) 324-0990.

Sincerely,

RANDELL H. IWASAKI
Director

c: Olivia Fonseca, Deputy Director, Civil Rights

Enclosures

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

Federal Fiscal Year 2010

Executive Summary

The California Department of Transportation (Caltrans) submits this Federal Fiscal Year (FFY) 2010 goal and methodology to the Federal Highway Administration (FHWA) pursuant to 49 Code of Federal Regulation (CFR) section 26.45, for federally assisted highway contracts. For FFY 2010, Caltrans will continue its current approved overall Disadvantaged Business Enterprise (DBE) Program goal of 13.5 percent, without any Step Two adjustments. This overall goal is expected to be achieved, in equal proportions of 6.75 percent, through race-neutral and race-conscious measures.

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) completed by BBC Research & Consulting (BBC) in July 2007.

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 nearly 100 business owners and others across California.
- Analyzed oral and written testimony from businesses, trade associations, and other organizations at the 14 public hearings held by Caltrans in March and April 2007; two hearings in Los Angeles; and one hearing each in Eureka, Stockton, Bishop, Fresno, San Luis Obispo, San Diego, Sacramento, San Jose, Redding, Irvine, San Bernardino, and Oakland.

Summary of the Base Figure Analysis

To examine relative availability of minority/women-owned firms, a survey was conducted of business firms related to transportation contracting work in the California marketplace and analysis of more than 6,673 federally assisted prime contracts and subcontracts from 2002 through 2006 and determined the following:

1. Thirty-two 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 of transportation-related work.

2. The Study examined contract type, location, and award size of work involved in the Caltrans prime contracts and subcontracts and firms available to do this work. BBC determined the dollar-weighted availability of minority/women-owned firms is 17.6 percent after considering the size, type of work, and locations of the federally assisted transportation contracts and subcontracts in recent years. Caltrans weighted the availability by the dollars going to a number of different transportation work categories and whether the contracts were entered into by Caltrans or local agencies.

3. After excluding minority/women-owned firms that might be too large to meet the U.S. Department of Transportation (USDOT) DBE certification guidelines, the dollar-weighted availability figure for minority/women-owned firms was calculated to be 13.5 percent.

Available Firms Surveyed for Transportation Contracting Work

BBC concluded the Caltrans internal data on DBEs and minority/women-owned firms available to perform Caltrans contracts and subcontracts did not provide a comprehensive view of businesses available for Caltrans work. Therefore, 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 95 percent of all 2002 through 2006 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 49,276 business listings. Of these listings, 9,365 were out of business or otherwise did not have valid phone numbers, leaving 39,911 business establishments with valid phone listings. BBC successfully interviewed 18,675 (or about 47 percent) of the business establishments with valid phone numbers, a relatively high response rate for a business survey.

Of the 18,675 firms interviewed, 3,398 were for-profit firms reporting they performed work related to transportation construction, maintenance, or design. These firms are considered to be 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 or private sector. These firms also identified the regions of California in which they could perform work. Of these 3,398 firms in the transportation construction and engineering industry, 32 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 6,000 FHWA-assisted contracts and subcontracts from 2002 through 2006, including contracts using FHWA funds administered through Caltrans that were awarded by local governments or others in California.

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

The dollar-weighting process used in the Study builds upon the process Caltrans used to develop the FFY 2007 DBE goal, which was approved by FHWA. In the FFY 2007 goal-setting process, Caltrans weighted availability by the dollars going to a number of transportation construction and engineering work categories that considered transportation contracting subindustries and whether the contracts were let by Caltrans or local agencies. The Study examined relative availability of minority/women-owned firms for each of the more than 6,000 FHWA-assisted contracts, and then weighted overall results based on the dollar amounts of each contract and subcontract.

BBC determined 17.6 percent of dollars on FHWA-funded contracts would be expected to go to minority/women-owned firms based on the type, size, contract role, location, and time frame for these contracts and subcontracts, and refers to availability of all minority/women-owned firms, not just the firms that appear to meet the federal guidelines for DBE (49 CFR sections 26.65 and 26.67). After excluding minority/women-owned firms that might be too large to meet the USDOT DBE certification guidelines, the dollar-weighted availability figure for minority/women-owned firms was calculated to be 13.5 percent.

FFY 2010 FHWA-assisted Contracts
Caltrans will receive approximately $3 billion in federal-aid highway program assistance for FFY 2010 which is expected to be distributed as follows: $1.2 billion for Caltrans construction program, $1 billion for administrative support services, and $800 million for local assistance construction programs.

In addition, Caltrans expects the types of work, sizes, and locations of contracts to be similar to the FHWA-assisted contracts awarded statewide during FFY 2009, which includes 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 13.5 percent DBE participation as the base figure for its overall DBE goal for FFY 2010.

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.
- Two types of firms counted in the base figure as DBEs: firms' currently certified and minority/women-owned firms that could potentially be certified as DBEs if they applied for certification.

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 that 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 getting 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.

Furthermore, the primary incentive for firms to become certified as DBEs was removed in May 2006 when Caltrans discontinued setting a DBE contract goal on federally assisted contracts.

Caltrans considered the DBE attainment over the last 4.5 years. As shown in the chart below, DBE attainment significantly dropped 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 utilization as reported for the last 4.5 years:

Federal Fiscal Year	Goal	DBE Attainment
2009	13.5%	3.0%[2]
2008	13.5%	4.56%
2007	10.5%	6.6%
2006	10.5%	8.2%
2005	12.0%	10.9%

Although noncertified minority/women-owned firms are counted as DBEs in 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 (Appendix F of the Study describes this information in detail).

- **Education.** Lack of college education appears to be a barrier for African Americans, Hispanic Americans, and Native Americans, which ultimately affects representation of

[2] As submitted in the June 1, 2009, initial six-month Annual Uniform Report of DBE Commitments or Awards and Payments.

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 (37 percent in construction and 29 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, Subcontinent Asian 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 (see Appendix H of the Study). 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, Subcontinent Asian Americans, and women in California.

  African Americans, Asian-Pacific Americans, Hispanic Americans, and women working in the engineering industry are less likely to be business owners than others in the industry. BBC found statistically significant disparities for African Americans, Asian-Pacific Americans, and women after controlling for factors such as age and education. If African Americans, Asian-Pacific Americans, and women working in the engineering industry owned businesses at the same rate as non-Hispanic whites (and men), there would be nearly twice as many engineering firms owned by members of these groups in California than observed today.

- **Rates of business closure.** BBC analyses found that African American-owned firms in California, in general, are more likely to close than other firms (see Appendix F of the Study).

- **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, Asian Americans, Hispanic Americans, and Native Americans applying for home mortgages are more likely than nonminorities to have their applications denied.

    - African American, Hispanic American, and Native American 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, Asian 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 (see Appendix H of the Study).

  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 (reported in Section VI and Appendix I of the Study). 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. These issues are further explored in Sections V through VIII and in Appendix I of the Study.

- **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.[3]

- **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

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[3] 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.

California for certain minority groups and for women (detailed results are found in Appendices F and H of the Study):

- Earnings of construction firms owned by African Americans and Hispanic Americans are substantially lower than non-Hispanic whites after controlling for age, education, and other factors (statistically significant differences). African American construction business owners earn about 41 percent less than average. Although these results are for the California construction industry as a whole, African American and Hispanic American-owned businesses in the transportation construction industry have lower annual revenue than majority-owned firms.
- After controlling for other factors, Subcontinent Asian Americans who own construction firms earn more from their businesses than non-Hispanic whites (statistically significant difference).
- Women who own engineering firms earn less than men do after controlling for factors such as age and education (statistically significant difference).

Caltrans consulted with other local governmental entities and found they were initiating disparity studies; those studies where either incomplete or irrelevant for Caltrans to consider. The local governmental studies evidence examined included:

- Current DBE certification of minority/women-owned firms.
- Rates of business closure.
- Largest bids of minority/women-owned firms.
- Business earnings.
- Input from interested parties.
- Certain factors could be quantified; others were not subject to quantification.

Illinois and Minnesota Departments of Transportation considered information concerning Step 2 adjustments to reflect depressed rates of business ownership for minorities and women within those states. As documented in the Study, Appendix H, 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 figure after the Step Two adjustment would be 39 percent higher than the 13.5 percent base figure for DBE participation, which is equal to 18.8 percent.

Considering the referenced factors; while important, the qualitative determinations and quantitative measures are not entirely qualifies or quantified. Caltrans decided 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.

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 (Enclosure 1) 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 (AGC).
- Associated General Contractors of San Diego.
- Engineering and Utility Contractors Association (EUCA).
- American Council of Engineering Companies – California (ACEC).
- 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.

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

Caltrans will publish a public notice requesting comment on the proposed FFY 2010 overall DBE goal and methodology. The FFY 2010 overall DBE goal and methodology will be made available at the Caltrans Civil Rights office, via the Caltrans' Web site, and by e-mail.

Comments

Caltrans will review all public comments solicited by the public notice and make any adjustments to the overall goal, if necessary.

Overall DBE Goal for FFY 2010 and Race/Gender- Neutral/Conscious Measures – sections 26.45(e) and 26.51

Race-Neutral/Conscious Division

Based on the information collected and data reviewed, Caltrans decided to continue with the established overall statewide 13.5 percent DBE participation goal for FFY 2010. This overall goal is expected to be achieved in equal proportions of 6.75 percent through race-neutral and race-conscious measures. Conversely, 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. Gradual and increasing success of the Caltrans race-neutral measures in achieving the goal will obviate the need for race-conscious measures.

Information Relied Upon

BBC calculated a disparity index on the relative utilization and availability of minority/women-owned firms. The disparity index for federally assisted contracts with DBE project goals is 83 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:

- African American – Disparity Index 15

- Asian Pacific American – Disparity Index 31
- Women – Disparity Index 48
- Native American – Disparity Index 65

The Study identified African American, Asian Pacific American, Women, and Native American contractors and subcontractors that would require *narrow tailoring* of race-conscious measures. The Study identified an inference of disparity for the four groups. For the last quarter of FFY 2009, Caltrans limited race-conscious measures to African American, Asian Pacific American, Women, and Native American-owned firms on transportation-related contracts and will continue to do so for FFY 2010.

To narrowly tailor the Caltrans DBE Program to conform to Study results, Subcontinent Asian American and Hispanic American-owned firms will not be included in the individual race-conscious contract goal setting. If future data gathering by Caltrans indicates that 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.

Western States Paving 407 F.3rd 983, 993 (9th Cir. 2005), quoting *Grutter v. Bollinger, 539 U.S. 306, 339 (2003):*

> *49 CFR, Part 26 does not require all possible race- and gender-neutral measures be implemented before a recipient can implement race- and gender-conscious measures, but rather the recipient meet the maximum feasible portion of the overall goal using race-neutral means.*

Race-Neutral Measures

Caltrans will continue its ongoing race-neutral measures to include:

- Business outreach and communication.
- Technical assistance.
- Improved contracting processes.
- Data collection, monitoring, and reporting.

One of the most successful measures has been partnering with the California Community College Chancellor's Office. They provide DBE supportive services through ten Small Business Development Centers located throughout the State. The supportive services consist of technical training and one-on-one technical assistance to DBE firms.

Another successful measure has been the appointment of 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 2009 include:

- The Small Business Administration and Caltrans signed a Memorandum of Understanding for a Surety Bond Guarantee Program. It is the first such partnership in the country.
- Caltrans established several workgroups with members from the AGC, ACEC, EUCA, National Concilio of America, California Small Business Entrepreneurs, Asian American Architects and Engineers, Chamber 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.
- Returned to a partial race-conscious DBE program on March 4, 2009.

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 2010 efforts will focus on:

- Continue to expand the Mentor-Protégé Program statewide to include construction, as well as architectural and engineering.
- Regularly scheduled Mandatory Pre-Bid conferences in all the districts.
- Expand 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.
- Establish relationships with financial institutions, surety companies, and insurance companies to market Caltrans opportunities in conjunction with SB and DBEs.
- Look for opportunities to package smaller contracts.

A more detailed list of race-neutral measures is included as Enclosure 2.

Race-Conscious Measures

The race-conscious goal will be achieved by:

- Setting a DBE goal on individual contracts based upon the type of work included in each contract and on the availability of the four 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 (b) (1) and (2)
Caltrans received approval to implement limited race and gender conscious DBE goals in a letter from Mary E. Peters, Secretary, U.S. Department of Transportation, dated August 7, 2008. The letter states:

> The contract goals would be limited to DBEs for whom substantial disparities between availability and utilization exist, namely small

> businesses owned and controlled by African Americans, Asian Pacific Americans, Native Americans, and women. Thus, Caltrans seeks to narrowly tailor its use of DBE contract goals to address these disparities." She also states, "You submitted the request under the waiver procedures of 49 CFR Section 26.1(b) as suggested by guidance issued by the Department in light of the 9th Circuit Court of Appeals decision in *Western States Paving Co. v. Washington State Department of Transportation, et. al.*, 407 F.3d 983 (9th Cir. 2005). The request appears to comply with the procedural requirements of this section, including the requirement for public participation, and it satisfies the substantive criteria for approval delineated in section 26.15(b)(2). Consequently, your waiver request is granted for a period of 3 Federal Fiscal Years (FY 2008, 2009, and 2010).

Caltrans developed this implementation of the federal DBE Program based on conditions related to transportation contracting in California; information sources included were in the Study. This represents Caltrans best efforts to prevent discrimination against any individual or group in access to contracting opportunities or other benefits of the program. Race-conscious and gender-conscious components of the program are narrowly tailored to the race, ethnic, and gender groups for which substantial disparities might exist in accessing Caltrans contracting opportunities.

This implementation meets all FHWA program requirements, and the federal DBE Program is consistent with applicable law, including the:

- Ninth Circuit Court of Appeals decision in *Western States Paving, Inc.*
- Seventh Circuit Court of Appeals decision in *Northern Contracting*.
- Eighth Circuit Court of Appeals decision in *Sherbrooke Turf*.

Caltrans Statewide Small Business Council Roster Enclosure 1

NAME	ORGANIZATION
Olivia Fonseca, Deputy Director	Small Business Council Chair
Randell H. Iwasaki, Director	Caltrans Director
Sandy Cajas Roberto Delgado	Regional Hispanic Chamber of Commerce
Julian Camacho	Hispanic Contractor's Association
Angel Carrera Jr.	Department of General Services
Arvin K. Chaudhary Gary Parikh	Consulting Engineers and Land Surveyors of California
Chris Chavez	Hispanic Contractors & Suppliers Association
Lee Cunningham	California Women Construction Owner's and Executives
Juan Diaz Josie Calderon	Mexican American Business & Professional Association
Raul Fernandez	Filipino American Society of Architects & Engineers, SoCal
Rodrigo T. Garcia Richard Hernandez	Society of Hispanic Professional Engineers

Caltrans Statewide Small Business Council Roster

NAME	ORGANIZATION
Gene R. Golliet Joel Tirney	Elite San Diego Veteran Owned Business Network
Ruben Guerra Leonard Ortiz	Latin Business Association
Paul Guerrero Michael Price	CA Small Business Entrepreneurs
Robert C. Guzman Juan Garcia	Society of Hispanic Professional Engineers-LA Chapter
Sam Hassoun	Global Leadership Alliance
Johnathan Hou Scott Wang	Asian Business Association
Debbie L. Hunsaker Marvin Dean	Greater Fresno Area Chamber of Commerce
Jeffrey "Lee" Jackson	Southern California Native American Tribes
Bernard Johnson Patsy Johnson	Black Contractors Association, Inc
Fred Jordan Mignon McGregor	San Francisco Black Chamber of Commerce

Caltrans Statewide Small Business Council Roster

NAME	ORGANIZATION
Marty Keller Michael Gonzalez	Office of Small Business Advocate
Diana LaCome Michael Barragan	National Concilio of America
Eddy Lau Frankie Lee	Asian American Architects & Engineers, SFO
Patricia Castillo Linn	National Latina Business Association Inland Empire
Rebecca Llewellyn Candice Friedman	Women Construction Owners and Executives
Cassy Matu	Sacramento Hispanic Chamber of Commerce
Stephan McGlover Al Washington	California Community Connection Corp.
Jim Molina Tim Martinez	San Joaquin County Hispanic Chamber of Commerce
Ezekiel Patten, Jr. Earl "Skip" Cooper, II	Black Business Association
Roy Perez Frank Ramirez	California Manufacturers

Caltrans Statewide Small Business Council Roster

NAME	ORGANIZATION
Kevin Ramsey John James	National Association of Minority Contractors of Southern California
Aubrey Stone	California Black Chamber of Commerce
Jesus Vargas Mark Martinez	San Joaquin County Hispanic Chamber of Commerce
Simon Wong	Asian Business Association of San Diego
William J. Yang Kenneth Wong	Asian American Architects/ Engineers Association

California Department of Transportation (Caltrans)
Disadvantaged Business Enterprise Race-Neutral Measures

Business Communication and Outreach

1. Renamed the Business Enterprise Unit to the Office of Business and Economic Opportunity (OBEO).

2. Respond to, on average 60 per month, program inquiries and contract issues sent to the Small Business Advocate via email address, smallbusinessadvocate@dot.ca.gov. OBEO responds to these inquiries and addresses and monitors resolution of contract issues.

3. Place public service advertisements by the Office Engineer (OE) for Small Business/Disadvantaged Business Enterprise (SB/DBE) contract opportunities on a weekly basis in newspapers, trade papers, focus papers, and on the internet.

4. Place advertisements for SB/DBE certification and outreach events for District 9 on television daily via the Weather channel.

5. Host monthly Statewide Small Business Council meetings in Sacramento. Seven committees are tasked with providing advice and guidance on removing barriers for SB/DBEs to pursue Caltrans contracts. One committee is for Executive Council which includes the Director, or designee, and the Civil Rights Deputy Director; the other six committees focus on construction, supportive services, legislation, commodities, local assistance, and professional services.

6. Host monthly and bi-monthly District Small Business Council meetings which equates to over 50 meetings in a year. The members address district level opportunities in Districts 4, 6, 7, 8, 10, 11, and 12.

7. Disseminate, track, and monitor for completion more than 40 action items requesting research, a presentation, or completion of a task generated from Small Business Council and Committee meetings. This is accomplished by OBEO and District Small Business Liaisons (DSBL).

8. Host Procurement Fairs throughout the year by the districts.
   - More than $2 million in the last two years has been awarded to SB as a result of district Procurement Fairs.
   - Fourteen Procurement Fairs were held from July 2008 through June 2009.

9. Appoint DSBLs to act as ombudsman in each of the 12 district offices – furthering district level business communication, outreach events and training on "How to do Business with Caltrans".

10. Market the Caltrans Contractor Interest Registry at OBEO and district outreach events. A brochure or flyer is being created for broader distribution.

11. Host focused SB/DBE outreach events in all the districts. Over 100 such events have been held or participated in by the DSBLs statewide.

12. Host project-specific outreach events for SB/DBEs in all the districts. Ten were hosted by the districts within the last year.

13. Meet monthly with construction and Architectural & Engineering (A&E) prime contractors and OBEO.

14. Provide "Look Ahead" information on proposed construction projects on the OE Web site, http://www.dot.ca.gov/hq/esc/oe/.

15. Confer with Marty Keller, Small Business Advocate, Governors Office, as OBEO needs.

16. Distribute the "Caltrans Quick Reference Information for Contractors" brochure to the Builder's Exchange and at outreach events by OBEO and DSBLs.

17. Distribute a "Procurement Fair Guide" to all the districts. A "Quarterly "Look Ahead" Outreach Guide" and a "Project Specific Guide" will be distributed also.

18. Enhance OBEO and district Web sites to highlight contracting opportunities for SB/DBEs. Updates and refinements to the Web sites are continually done.

19. Cross-training OBEO and DSBLs on the contracting process and requirements is done regularly for new staff.

20. Provide "Look Ahead" e-mail blasts quarterly by the DSBLs to SB/DBEs.

21. Maintain the Director's Policy on Race-Neutral Measures for OBEO to provide district training and implementation.

22. Award a "Certificate of Recognition" from the Director to prime contractors who achieve at least 10 percent Disadvantaged Business Enterprise (DBE) participation on a project.
    - Certificates were given to forty-five prime contractors for federal fiscal year 2008.

23. Disseminate SB/DBE information and opportunities to businesses contacted during the disparity study. This is accomplished by OBEO on a regular basis as information is received.

24. Establish communication with representatives from Employment Development Department, Franchise Tax Board, and Board of Equalization for OBEO to provide Caltrans opportunities to their SB/DBE clients.

25. Collaborate bi-monthly with Associated General Contractors, American Council of Engineering Companies, Engineering & Utility Contractors Association, and OBEO on ways to increase SB/DBE participation.

26. Produce a quarterly newsletter/e-bulletin with announcements and information on OBEO and the Caltrans DBE program.

27. Contact local minority and women's Chambers of Commerce and organizations statewide to provide information on the Caltrans DBE program and opportunities available. This being accomplished through a sub-grant from the Small Business Administration (SBA) to the Community College Chancellors Office (CCCO).

28. Establish communication between the DSBLs and their local County Office of Economic Development in an effort to partner and exchange information.

29. Facilitate match making events, between prime contractors and subcontractors, in each of the districts with the SBA and the United States Department of Transportation, Office of Small and Disadvantaged Business Utilization (OSDBU). In the last year, the two largest events were held in Los Angeles and San Diego.

30. Obtain guidance from a workgroup, established in May 2009, on the DBE utilization data to assist OBEO in the preparation of the federal fiscal year 2010 DBE Overall Annual Goal and Methodology. The workgroup volunteers are: Diana LaCome, National Concilio of America; Paul Guerrero, California Small Business Entrepreneurs; Eddy Lau, Asian American Architects and Engineers; Debbie Hunsaker, Greater Fresno Area Chamber of Commerce; Jeffery Lee Jackson, Southern California Native American Tribes; Mike Ghilotti, Engineering and Utility Contractors Association; and a representatives from the Associated General Contractors.

31. Conduct one-on-one consultation by the DSBLs with Native American tribes on business opportunities.

32. Publish SB/DBE success stories for distribution by the DSBLs at district outreach events.

33. Brand the Caltrans DBE Program through OBEO and DSBLs disseminating promotional items/gadgets at all outreach events.

34. Attend Chamber of Commerce social mixers and networking events by the DSBLs in their local areas.

35. Establish a partnership between the DSBLs and the district Local Assistance liaison to facilitate outreach with the local agencies and SB/DBEs.

36. Provide mobile services to SB/DBEs one-on-one at their business office.

37. Use magnetic car signs to promote SB/DBE technical assistance through the California Community College Program (CCCP).

38. Participate as a member of the Department of General Services (DGS) Small Business Council by OBEO; DGS is a member of the Caltrans Statewide Small Business Council (SBC).

39. Attend SBA 8(a) monthly meetings with Sacramento SBA.

40. Hold Public Information Meetings. From August 2008 through April 2009, twenty Public Information Meetings were held. The most recent meetings were held in all the districts in March and April 2009.

41. Produce a video to market Procurement Fairs.

42. Maintain a calendar of SB/DBE outreach events on the OBEO Web site and district Web sites.

43. Host forums with elected officials and SB/DBE firms. In the last fiscal year, four forums were held.
    - District 4 – Congresswoman Barbara Lee
    - District 5 – Assemblyman Pedro Nava
    - District 7 – Los Angeles County Board of Supervisors, Zev Yaroslavsky
    - District 11 – Assemblywoman Mary Salas

44. Provide bumper stickers at outreach events to promote SB/DBE technical assistance through the CCCP.

Certification

45. Provide one-stop DBE certification by Certification Unit in conjunction with ten other certifying agencies.

46. As of July 15, 2009, maintain 4,060 certified DBEs in the California Unified Certification Program (CUCP); the Certification Unit received:
    - 56 DBE applications in March 2009, as compared to 29 in March 2008;
    - 60 DBE applications in April 2009, as compared to 22 in April 2008;
    - 57 DBE applications in May 2009, as compared to 22 in May 2008; and
    - 47 DBE applications in June 2009, as compared to 20 in June 2009.

    ⇒ Since January 2009, the Certification Unit has certified 142 DBEs and renewed the certifications for 193 DBEs.

    ⇒ Since March 2009, 135 UDBE firms have been added to the CUCP database.

47. Hold certification "boot camps" annually in all 12 District offices facilitated by Certification Unit.

48. Streamlined the DBE certification process so applicants are now certified in 90 days versus 120 days.

49. Explore establishing online applications and renewals.

50. Collaborate with SBA and Certification Unit for reciprocity of SBA 8(a) certified firms to obtain DBE certification.

51. Disseminate a compact disc of "How to do Business with Caltrans" that includes the certification package.

52. Maintain the Certification Web site to ease the search by prime contractors looking for certified DBEs.

53. In April 2009, the Certification Unit emailed 1,600 certified small businesses on a list obtained by DGS to encourage DBE certification.

54. Reduced the certification application from 30 pages to 17 pages as accomplish by Certification Unit.

55. Contacted 1,570 minority and women firms in December 2008 from a list generated by the disparity study for Certification Unit to market DBE certification.

56. Met with the California Public Utilities Commission to accept DBE cross-registration and certification with Certification Unit. Currently working on the business process.

57. Sent 580 invitations from Certification Unit in December 2008 to certified small minority- and small women- business enterprises (SMBE/SWBEs) to apply for DBE certification.

58. Research on-line submission of the DBE Annual Update Affidavit. The Affidavit is required by federal regulation.

59. Sent 1,000 invitations in January 2009 from Certification Unit to SBA-certified firms to apply for DBE certification.

60. Created a PowerPoint presentation on certification and "How to do Business with Caltrans" for workshops and to post on the OBEO Web site, http://www.dot.ca.gov/hq/bep/.

61. Collaborate between OBEO and EUCA on ways to encourage DBE certification.

62. Created a brochure by Certification Unit on the benefits of DBE certification.

63. Canvassed list of licensed landscape architects obtained from the Landscape Architects Technical Committee for Certification Unit to solicit DBE certification.

64. Canvassed list of licensed contractors obtained from the Contractors State License Board for the Certification Unit to solicit DBE certification. News articles were exchanged for publication in each other's newsletters.

65. Explore a partnership between OBEO and the Board of Professional Engineers and Land Surveyors to provide DBE certification solicitation opportunities.

66. Update the location information in the CUCP database of certified DBEs "ready, willing, and able" to perform Caltrans work is accomplished by Certification Unit.

Technical Assistance

67. Provide free supportive services and technical assistance via training and one-on-one counseling to SB/DBEs through ten SBDCs statewide. Several training classes on various subjects are held monthly at each of the SBDCs.

68. Provide training or counseling services to SB/DBEs via SBDC consultants in all twelve districts making "business office calls".

69. Brand mobile service with magnetic signs and pre-scheduling meeting locations. OBEO is partnering with Chambers of Commerce to provide mobile services.

70. Provide technical assistance through the SBDCs. During the two years of the contract:
    - 201 training courses to 3,306 clients in the areas of:
      - ⇒ Construction Contracting Do's and Don'ts
      - ⇒ Professional Services Including Architecture and Engineering
      - ⇒ Accounting and Cash Flow
      - ⇒ Project Management for Contractors from A to Z
      - ⇒ Combined Safety and Bonding
      - ⇒ Business Connections, Marketing and Networking
      - ⇒ Construction Administration
    - one-on-one counseling to 1,839 clients in the areas of:
      - ⇒ Researching the Internet to identify available Caltrans projects.
      - ⇒ Cost proposals assistance.
      - ⇒ Marketing to prime contractors.
      - ⇒ Expectation from prime contractors.
      - ⇒ Cost estimating methodologies.
      - ⇒ Next steps after receiving a contract award.
    - assistance to 84 clients who bid on projects; of which, 18 of those clients received contract awards.

71. Host monthly events by SBDCs, in conjunction with Chambers of Commerce meetings, Mandatory Pre-Bid Conferences, Procurement Fairs, Workshops, and Local Agency Partnering Events.

72. Established the CCCP Web site, www.buildcalifornia.org, dedicated to providing Caltrans information to SB/DBEs regarding training, counseling, outreach, success stories, as well as links to other related Web sites. The CCCP website contains:
    a. Mandatory Pre-Bid projects list.
    b. Emergency contract registry.
    c. User friendly information to explain DBE certification requirements and a link to the application.
    d. Links to help SB do business with Caltrans.
    e. Press releases.
    f. Training schedule/training classes.
    g. A description of each District's location.

h. Web site locations.

73. Implemented a Mentor-Protégé Program (MPP) in Districts 4 and 10 for construction firms. The MPP provides small businesses in the transportation construction field the opportunity to work with and learn successful business practices from prime contractors. A small business is partnered with a prime contractor for a specified amount of time and for specific tasks. Soon the MMP will be available in all 12 districts.

74. Established a CalMentor Program (CMP) in all 12 districts for A&E firms. The CMP provides small businesses in the architectural or engineering field to partner with prime consultants in the architectural or engineering field to learn successful business practices. Eight events were held in the last year.

75. Establishing an MPP for commodities in conjunction with a Small Business Councilmember, Grainger Industrial Supply, and a UDBE in Fresno.

76. Hold mock workshops in District 11 on how to bid on Caltrans contracts. Districts 4 and 7 are scheduling their workshops.

77. Formed a partnership with the Federal Technology Centers and OBEO to provide DBE technical assistance.

78. Provide "in-service" training through the CCCP to all the DSBLs to enhance their role in assisting SB/DBEs. Training has been provided at all 12 district offices as of June 30, 2009.

79. Pursue funding to reimburse primes for their time and technical assistance when a part of the MPP or CMP. OBEO is researching the options available.

80. Established a partnership between OBEO and the Small Business Transportation Resource Center, Southwest US Pan Asian American Chamber of Commerce to provide SB/DBE technical assistance and consultation.

81. Partner with the Los Angeles Unified School District on district and OBEO contracting opportunity outreach events and construction career awareness events.

82. Established a partnership between OBEO and the Small Business Development & International Trade Center, Southwestern College in National City to provide technical assistance to SB/DBEs.

83. Research the ability for OBEO to procure a van and staff a mobile DBE program to provide technical services and assistance to SB/DBEs in remote areas within the state.

84. Establish a partnership between OBEO and the seven Workforce Development Centers to provide training services to SB/DBEs.

85. Request DGS provide a presentation to the SBC on the E-Bid (Bid Sync) process.

86. Request Caltrans Planning and Modal Programs and Division of Environmental Analysis provide a presentation to the SBC Construction Committee on the implementation and enforcement of Environmental Justice requirements.

87. Request a presentation at SBC by Division of Procurement and Contracts (DPAC) for their definition of Minor B.

88. Request Division of Local Assistance (DLA) provide frequent DBE, Title VI, Environmental Justice training to Local Agencies as a condition of receiving federal transportation funds.

89. Facilitated a presentation on worker safety from the California Highway Patrol Assistant Chief to SBC.

90. Prepared a letter at the request of SBC to Attorney General Jerry Brown requesting swift resolution to the Tribal Employment Rights Ordinance legal opinion.

91. Develop a survey form and process to follow-up on CCCP client results as requested by SBC.

92. Conduct DBE race-conscious training to all the local agencies. This is being accomplished through a DLA contract with the University of California Berkeley Tech Transfer Program.

93. Conducted "Good Faith Effort Evaluation" training to local agencies via webinars with presentations by Federal Highway Administration (FHWA) and DLA.

94. Distributed updated pages of the Local Assistance Procedures Manual as requested by SBC.

95. Provide the Caltrans Statewide DBE Plan on the OBEO Web site. Division of Local Assistance has a link to the Web page. It is also available in hard copy.

Improving Contracting Practices

96. Maintain a flowchart of project advertising, bid opening, awards, and approval on the OE Web site.

97. Provide free Caltrans project plans and specifications for SB/DBEs at SBDCs.

98. Sponsored Assembly Bill 3024, Chapter 79, which was enacted on July 8, 2008, and raised the floor limits for payment bonds from $5,000 to $25,000.

99. Provide teleconference ability on all OE and the DPAC solicitation bid openings. Final implementation was completed in May 2009.

100. Provide enforcement of prompt payment by the prime contractor to a subcontractor through Labor Compliance when needed.

101. Market Contractor Interest Registry to SB/DBEs at all outreach events hosted or attended by DSBLs and OBEO. It is also marketed at the SBDCs.

102. Provide staggering of project delivery (advertising and bid openings) dates by OE or districts so prime contractors and subcontractors are not overloaded with submitting bid packages.

103. Created an "opt-in" feature as a free service on OE Web site to allow subcontractors to express their interest and be considered for providing bids on projects. Prime contractors can also use this feature to search for non-bidding plan holders to meet the DBE goal or make a good faith effort.

104. Created a new free feature for prime contractors to advertise for subcontractors on OE Web site.

105. Explore the ability with FHWA for OE and OBEO to consider the second or third low bidders who have met the goal, when the first bidder has not met the goal, but submits good faith effort documentation.

106. Initiated the informal bid process on six selected projects by OE to try to receive DBE participation as the prime.

107. Established a policy to set aside 100 percent of Minor B (under $147,000) contracts for small business participation.

108. Removed performance bond requirement on Minor B contracts.

109. Breakout A&E projects into smaller units by dollar amount and items of work where feasible as determined by OE and the districts.

110. Established a Web page tutorial of all the new features OE has added to their Web site.

111. Hold mandatory pre-bid meetings for construction contracts at the districts. The DLA is making the same request to local agencies.

112. Host quarterly "Look Ahead" meetings at all 12 districts.

113. Hold Mandatory Pre-bid meetings in the more distressed economic areas of District 3.

114. Partner with DGS Strategic Sourcing to refer OBEO SB/DBEs for inclusion on strategic source contracts.

115. Offer joint Caltrans Division of Construction/construction industry training statewide on the "Fundamentals of Partnering on Caltrans Construction Projects".

116. Provide a bid item search tool on the OE Web site for prime contractors and subcontractors to search advertised projects by either bid item work description or by item code numbers.

117. Provide a contract item cost data summary list on OE Web site of the average low bidder's prices for SB/DBE reference.

118. Request Division of Design, Office of Special Projects, add criteria to their analysis of Design Sequencing pilot project to investigate the impact on SB/DBEs.

119. Explore the ability for Division of Construction to pay SB/DBE specialty contractors by item price instead of through force accounts.

120. Provide final SB/DBE and Disabled Veteran Business Enterprise (DVBE) participation report form to SBC for their review.

121. Develop a Web site link to view Local Agency contracts and corresponding SB/DBE invoice payments.

122. Developed statewide training for Resident Engineers that included their role and responsibility as it pertains to SB/DBE participation and substitution.

123. Provide e-mail alert and post bid questions and answers on the OE Web site for a more timely and consistent response.

124. Created a new contract specification regarding maintaining existing traffic management system elements during construction.

125. Receive amended Annual Anticipated DBE Participation Level submissions under the mixed component DBE Program from local agencies.

126. Explore the ability to sanction prime contractors that continually bid, are awarded contracts, and never meet the DVBE or DBE goals.

127. Evaluate the Owner Controlled Insurance Policy pilot program to identify its impact on SB/DBEs.

128. Review the Division of Construction's policy on subcontract substitution to identify its impact on SB/DBEs.

129. Provide DVBE goal and SB goal, or DBE goal, in the OE or DPAC project advertisement and on the front of the contract solicitation.

130. Provide the Caltrans contract manager name in each DPAC request for proposal.

Data Collection

131. Produced an issue paper recommending that an OBEO data management system be developed to capture all business contracting activities, including SB and DBE participation needed for accurate reporting to DGS and FHWA, respectively. Determined OBEO could not be a "stand-alone" system. Would need to interface with OE, DPAC, and Local Assistance.

132. Collaborate between DPAC and representatives of the SBC Professional Services Committee to enable SB/DBEs to purchase their own A&E software package and easily obtain software training at a reduced cost.

133. Proposed applying a small business contract goal on all transportation construction projects, regardless of funding. After consulting with FHWA and Caltrans Legal, OBEO determined that legislation would be required.

134. Host monthly DSBL meetings with OBEO to provide an exchange of information, training, and to review implementation of all race-neutral measures.

135. Explored expanding the OBEO data management system concept to include reporting of SB/DBE participation on local agency contracts. Concluded that an interface with the construction management system would be needed.

136. Semi-annually, collect, compile, and audit DBE final use documentation as sent to OBEO by OE and DPAC for reporting to FHWA.

137. Explored the Division of Accounting's payment reporting system for possible SB/DBE data collection and the exchange information with an OBEO data management system. Submitted OBEO SB/DBE data capturing needs to the Enterprise Resource Planning Financial InfraStructure (E-FIS) team.

138. Submitted OBEO SB/DBE data collection and data submission needs to OE to be included in their solicitation package for a construction management system.

139. Track all race-neutral activities statewide by district so OBEO can ensure consistent and extensive implementation. For fiscal year 08/09, OBEO and DSBLs hosted or participated in over 450 race-neutral activities.

140. Explored mandating SB/DBE data reporting on all State and federal-aid contracts for semi-annual reporting to FHWA and establishing the federal fiscal year Overall Annual DBE Goal. As a result of OBEOs research, State and federal regulations prohibit this.

141. Established a $250 incentive to prime contractors who submit a DBE/SBE subcontractor report each quarter for the term of the contract.

142. Create a process to capture Procurement Fair purchase totals on the day of the fair and to include the list of vendors, the list of buyers, and items purchased.

Access to Capital

143. Obtain SBA Loan Guarantee Program brochures for distribution by OBEO, DSBLs, and through industry partnership agreements.

144. Sponsored a legislative bill proposal for a $40 million Surety Bond Guarantee Program; however, it did not pass.

145. Consulted with the Department of Insurance regarding "On Shore" versus "Off Shore" liability insurance to explore small business assistance. It was determined by OBEO that assistance was not available for transportation construction projects.

146. Drafted a Director's policy on implementing set asides for small business participation on federally-funded contracts; the policy is under review by OE and DPAC.

147. Requested FHWA approval to obligate $2.75 million for a Surety Bond and Lines of Credit Guarantee Program in April 2009.

148. Hosted an event in Los Angeles on June 11, 2009, to announce the Surety Bond Guarantee Program established between Caltrans and SBA to potential program providers. A second event is being scheduled to announce the program to SB/DBE firms. Collaborating on the events is OBEO, CCCP, SBA, Governor's Office, Business, Transportation and Housing Agency, and DGS.

149. Establish partnerships between OBEO and DSBLs with commercial banks, surety bonding companies, and liability insurance companies to refer SB/DBEs for technical assistance, resources, and access to capital opportunities.

150. Provide training to DSBLs on access to capital as part of a partnership between OBEO and Union Bank.

Awards

- On August 13, 2009, Caltrans received an Employer of the Year – Public Sector award from the Conference of Minority Transportation Officials of Northern California in recognition of all the efforts put forth to increase minority firm participation on transportation projects.
- OBEO, Districts 4, 5, and 11 all received DGS State Agency Recognition Awards (SARA) in 2008.
- District 4 received a Finalist Award for furthering "Best Practices" activities for Small Business Enterprises and Disabled Veteran Business Enterprises.
- Ann Danko, DSBL in District 5 was a finalist for the DGS 2008 Advocate of the Year Award.
- Liz Santucci, DSBL in District 9, received the Leadership of the Year Award presented by the California Small Business Association and Disabled Veterans Business Alliance.
    - Ms. Santucci was also recognized as a finalist for the SARA and as a finalist for the Advocate of the Year Award.