Guests:

Davis, Sarah GCAP Services
Padilla, Pat DBE Consultant SR 125 Design Build Project
Forrest, Jacqualyn CA DVBE Alliance for S. Sullivan
Collins, Louis
Giordano, Theresa Executive Director AEA
Watts, Sabrina AGC of California

Guest Speaker:

Millan, Jose Vice Chancellor, California Community Colleges

Students Guest & Adults California Community Connection Corporation:

Garner, Eric
Jackson, Kyle
Williams, Gabriel
Wynn, Najee
Igram, Jahman
Shelton, Jamie
Taylor, Desyrae
McGlover, Rachael
Walton, Veronica
Rojas, Carhis
Brent, Charisse
Wynn, Micheal
Armstrong, Giovanni
Taylor, Donovan
Statum, LaaResha
Lee, Chanel
Brent, Anne Marle
Armstrong, Tezsanique

Welcome/Introductions/Opening Remarks:

Chair Fonseca welcomed all attendees and asked them to each introduce themselves. She further announced agenda changes to accommodate Director Kempton's attendance. Chair Fonseca recognized Councilmember Stephen McGlover, along with special guests of 14 student youth and five adults, from Los Angeles-area schools. The guest represented the C4 (California Community Connection Corporation). Students ranged from age 14-17 and each stood, stated their name, age, and the school they attend. Chair Fonseca thanked Councilmember McGlover and again welcomed all youth guests. Chair Fonseca took an opportunity to outline the Office of Civil Rights Emergency Evacuation Plan. She emphasized the importance of a safe and orderly evacuation in the unlikely case of an emergency.

Doug Failing, District 7 Director from Los Angeles, thanked Councilmember McGlover for his efforts to bring the student guests today and availed the services of the district office. He further encouraged them to seek and consider opportunities in traditional and non-traditional transportation construction-related employment with the Department and specifically, District 7. Councilmember Hassoun announced and invited all to the Construction Career Day Friday, April 20, 2007, at the Granite Construction facility in Sacramento. He stated that a second event is scheduled sometime in October 2007, tentatively at the Orange County Fairgrounds. Councilmember McGlover committed to taking a group of students to the southern California event. Councilmember Hassoun offered to reimburse C4 for the bus transportation, if they did in fact attend the April 20th event. Councilmember Hassoun further introduced Sabrina Watts as a new staff member to Associated General Contractors of California (AGC). Ms. Watts will be responsible for workforce development efforts on behalf of AGC. Councilmember Garcia invited the student attendees to consider membership into the Society of Hispanic Professional Engineers (SHPE), a college-level organization he represents as a charter member. He further suggested the Small Business Council (SBC) consider making a workforce development ad hoc committee to pursue issues and strategies in education, economic development, and workforce preparation for workforce investment.

Chair Fonseca announced the appointment of Dale E. Bonner as Agency Secretary, Business, Transportation and Housing Agency (BTH). Mr. Bonner comes from the Law Firm of Epstein, Becker & Green, PC as a member of the Health Care and Life Sciences Practice and the Government Contracts and Technology Group, Los Angeles office. Mr. Bonner previously served as California's Commissioner of Corporations from 1998-1999. Prior to being appointed Commissioner, Mr. Bonner had oversight for the Department of Corporations and other business regulatory Departments as Deputy Secretary and General Counsel of the Business, Transportation and Housing Agency from 1996 to 1997. In working for the Business, Transportation and Housing Agency, he served as Deputy Legal Affairs Secretary to the Governor. Mr. Bonner advised the Governor and other state officials on government ethics and a broad range of constitutional, administrative and regulatory matters. In June 2004, Governor Schwarzenegger appointed Mr. Bonner to the California Performance Review Commission. This Commission was established to evaluate proposals for restructuring California's executive branch of government. Mr. Bonner currently serves as a Governor's appointee on the California Science Center Board of Directors. He chairs the Board's Finance and Administration Committee and also serves on the Science Center Foundation's Board of Trustees. He has also served as Vice President of the Los Angeles City Ethics Commission, as a member of the State's Bipartisan Commission on Political Reform, and on the Daniel Freeman Hospital Foundation Board of Directors.

Chair Fonseca identified contents of the SBC meeting packets as follows:

- District 7 Minor B Construction Projects, Awarded FY 2005/06 and 2006/07 Report. (See report).
- Senate Bill 56 (SB 56) introduced by Senator Runner as the Design-Build Demonstration Program. Councilmembers are invited to submit their legislation comments to Chair Fonseca who will, in turn, forward them to the Department's Legislative Office for consideration. (See SB 56 Senate Bill).
- Schedule of SBC meetings for 2007 and SBC Roster, both of which will be posted to the SBC website.
- Legislative Analyst's Office Report titled ***Implementing the 2006 Bond Package: Increasing Effectiveness Through Legislative Oversight.*** In November 2006, California voters approved $42.7 billion in general obligation bonds to fund infrastructure projects in transportation, education, resources, and housing. With more than $18 billion allocated to new programs, the report offers key considerations and recommendations to assist the Legislature in implementing the bonds.

Director Kempton: Upon his arrival, Chair Fonseca introduced Director Kempton, who began his remarks by welcoming the student guests, thanking everyone for their continued support of the SBC, and the critical issues facing the Department. He also thanked everyone for the condolences on his loss of Summer Kempton. He assured the SBC administration is committed to including small businesses in growth plan opportunities. Director Kempton was pleased to announce the appointment of Dale Bonner as the new Agency Secretary of BTH and re-appointment of Commissioner John Chalker, of San Diego. Also, Carl Guardino, of Los Gatos, and James Earp, of Roseville, have been appointed as Commissioners to the CTC. These positions take effect on March 1, 2007. They replace Commissioners Jeremiah Hallisey and Esteban Torres. Director Kempton looks forward to working with them. He announced that the CTC are to meet to approve $2.8 billion in projects. The list will be posted on the website.

Action Item: Councilmember Llewellyn requested of the Director, monthly Executive Committee meetings. Director Kempton agreed and asked it be coordinated with Chair Fonseca and scheduled as early as his schedule will allow. Councilmember Hou asked of the $2.8 billion CTC-approved projects, what percentage of design work would be performed in-house and what percentage contracted out. Director Kempton said that usually about 10% of the design work in contracted out. As project delivery nears and staff mobilizes to meet demand, the actual percentage should increase and adjust. Councilmember Jackson asked about the participation of TERO on projects involving Indian land. Director Kempton stated the Department's position is subordinated, to and contingent upon, the legal opinion of the Attorney General's Office on constitutional issue raised by the application of TERO. Pat Padilla stated the pre- and post-audit process on construction projects continues to be an issue. She asked if a meeting with the Department's Audit and Investigations Unit could be scheduled. Director Kempton agreed to hold such a meeting and include other Caltrans employees.

ITEM #1: Approval of Statewide SBC January 12, 2007, Meeting Minutes

Motion: Councilmember Guerrero with minor change.
Second: Councilmember Patten
Approved by consensus.

ITEM #2: District, SR 125 and Disparity Study Updates

District 4: Director Bijan Sartipi welcomed the youth guests. He also encouraged them to consider employment with the Department. The Department and District 4 are always interested in qualified professionals, especially with the passage of Propositions 1A-E. Director Sartipi announced District 4's Procurement Fair on March 21, 2007 at the Kaiser Center, 300 Lakeside Drive, in Oakland, from 9:00 A.M. to 1:00 P.M. Director Sartipi exhibited an outreach calendar devised by the District to capture and report on SB activity. A copy was circulated. He discussed a series of meetings in which the District participates, such as: Quarterly A&E meetings, District SBC meetings, AGC Partnership meetings, etc. The District SBC meeting requested their District devise a master list of all Small Business is interested in District 4 contracts. Although due to sorting error, some of the listed information for the SBC is incorrect. Chair Fonseca reminded all that the Department does not own the list and subsequently, corrections should be directed to the respective certifying agency. Director Sartipi announced the kick off for the Cal Mentor Program and applications for the program. As of today, over 30 companies have signed up and the District will partner with AGC Mentor-Protégé Program. Director Sartipi handed out a Director's Order (DO) Contract and Small Business Utilization Report for District 4. From January 1, 2006, to present, 78 DO projects have paid a total of $59 million, $8,700,000, or 14.7%, to be certified small businesses. See report. Director Sartipi discussed District Emergency Contract Projects and described how they are different than traditional construction contracts. These contracts are not subject to a competitive bid process. Emergency contracts are funded through force accounts and have a limited bid process that allows the Department to invite bids giving profit via incomplete plans that are changed as needed. Firms for emergency A&E contracts are selected from an on-call list.

District 7: Director Failing announced a successful District Procurement Fair was held in the Fall 2006, as well as, planning another for May 2007, in union with District 12 from the Irvine office. He mentioned the City of Los Angeles has offices in proximity to the District building and is currently working on partnering with them for this event and future outreach events. Director Failing discussed the District Cal Mentor Programs for Los Angeles, Orange, and Riverside County have many Prime and Sub A&E firms. He would like to have one big Southern California Cal Mentor effort. He recognized Councilmembers Hou and Michelle Johnson (CELSOC) for their commitment, as well as, their success. Their District hosted the first annual Cal Mentor recognition day. The pilot program is going well, although he acknowledged further need for refinement. Director Failing was pleased to see the construction contract list used in District 4 and will look to replicate as well their construction information. He stated the Minor B program is going well and small businesses are being utilized at all times, when appropriate.

Deborah Robertson, District 7 Deputy Director of External Affairs announced the next District SBC meeting on March 9, 2007, at 10:00 A.M. The District looks forward to hosting the two Disparity Study Public Hearings. These hearings are scheduled for Thursday, March 29 and Wednesday, April 4, 2007, both from 1:00 P.M. to 4:00 P.M. in the District office. The District will host Los Angeles Women's Transportation Coalitions: Opportunities for Public Private Partnerships (PPP) in the State of California and Annual Membership Meeting, a Small Business Seminar, February 26, 2007, from 4:00 P.M. to 6:00 P.M. Guests will be Billie Greer, Director of the Los Angeles Office of the Governor; Samuel Wallace, California Business, Transportation and Housing, Small Business Enterprise Officer; Linda Bohlinger, Vice President and National Director of Management Consulting HNTB; and David Horner, Esq., Chief Council, Federal Transit Administration, U.S. Department of Transportation.

SR 125 Update: Pat Padilla provided 2 Quarterly Project Report covering the reporting period of October 1, 2006, through December 31, 2006. The CTV/DELP's Fourth Quarter DBE Participation (Commitment and Attainment) Report for SR-125 South – Gap/Connector (Design Build) Project. Also providing for SR-125 South – Toll Road (Design Build) Project. It was announced that SBX has released the opening of the South Bay Expressway toll schedule to the media. It is available on their website – www.southbayexpressway.com. This is a significant milestone for SBX and Greg Hulsizer, CEO extends his appreciation for your ongoing support and input as SBX prepares to open in the coming months. See handout.

Disparity Study: Robert Padilla, Disparity Study Project Manager, reported the project is on schedule with an Interim Report due to the Department. The Interim Report will include an Executive Summary, Legal Framework, Availability, and Utilization. In addition, the Department will host a Public Hearing in each District office between March 20th and April 4, 2007. A schedule of the hearings was included in each member meeting packet, as well as, a draft copy of the Public Notice advertisement. The purpose of the Public Hearings is to solicit anecdotal evidence and testimony from the public that will be used in the final Disparity Study, due June 30, 2007.

Anecdotal evidence includes, but is not limited to:

- Testimony of DBE owners regarding whether they face difficulties or barriers;
- Descriptions of instances in which DBE owners believe they were treated fairly or were discriminated against based on their race, ethnicity or gender;
- Statements regarding whether firms solicit, or fail to solicit, bids or price quotes from DBE on non-DBE goal projects;
- Statements regarding whether there are instances of discrimination in bidding on specific contracts and in the financing and insurance markets.

A Disparity Study Forum was held January 26th, in Burbank and on February 7th, in Oakland. Airport Operations Managers, Transit Authority Officials, and Council of Government representatives were invited to hear a Disparity Study update, announce the Department's public hearings, seek their assistance to increase public participation in the hearings, and to offer the Department's support in their respective Disparity Study efforts. Guest Pat Padilla commended the Department for conducting the Disparity Study Forums. She said, there should be follow up in the availability analysis to determine why firms are no longer in business and identify any potential relevance to post-May 1 race-neutral measures applied to the DBE Program. Councilmember Guerrero suggested lack of prompt payment to DBE subcontractors contributed to business failure. Councilmember LaCome suggested the Public Notice advertisement include a mailing address the public could send written comments to and more clearer instructions on how to e-mail their comments; in the event they are unable to attend the hearings. Several Councilmembers expressed their passion for the program and frustration that California would have to complete a Disparity Study.

ITEM #3: Statewide Committee Reports

Professional Services Committee (PSC): In the absence of Councilmember Lau, Councilmember Hou reported PSC met Thursday evening and provided updates to the following action items:

- Local Assistance Programs in District 7;
- In-Road Software for procurement program was discontinued due to lack of funding. RFP for 2007/08 training is being prepared for design industry;
- Amend Micro Business qualification annual earnings threshold from $4 million to $2.5 million;

- Since auditing requirements for A&E contracts are so labor-intensive, committee suggests changes to include the 18 Partnership signatories and continue to invite them to the PSC meetings. Discussed final audit closeouts and issues related to excessive labor/overhead rates.

Construction Committee: Councilmember Llewellyn reported on the following:

- Announced new committee member Sandy Black;
- Attendance of Department Construction staff to committee meetings is inconsistent;
- Proposed language changes to new insurance regulations;
- Suggested the Bidder's List used in District 4 become standard practice in all districts;
- Increase efforts to unbundled contracts at the district level;
- Requests Resident Engineers training no later than, the March or April 2007 meetings;
- Lack of substitution in contracting as a problem continues unresolved;
- Proposed changes to the Civil Rights, Office Engineer, and DPAC websites (see handout);
- Submitted committee proposed changes to SB 56 legislative language;
- Provide a letter from SB expressing the questions and concerns of the Departments testing process. Angel Carreras as representative of the committee, will forward this letter to the testing laboratory.

ITEM #4: California Community Colleges – Economic Development and Workforce Preparation

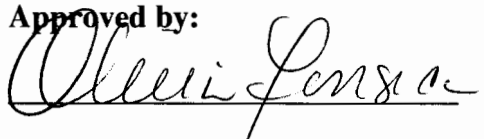
Jose Millan, Vice Chancellor, described the services of 36 Small Business Development Centers (SBDC). California SBDC facilitate the success of small business management counseling and training; resulting in the creation and retention of jobs, increase of sales and profits, securing of business financing, and the starting of new business. California SBDC are part of the U.S. SBA's National network of SBDC. They leverage local, State, and Federal dollars to strengthen small business; which then positively impacts the State's economy. Mr. Millan also spoke of the California Community Colleges Economic Development & Workforce Development Pre-Apprenticeship Program. In partnership with the California Department of Education, the pre-apprenticeship program offers applicants basic skills training that will assist them in meeting entrance requirements to an Apprenticeship Program. If the applicant chooses not to pursue an apprenticeship, the training provides the applicant additional job skills and increasing marketability. The entrepreneurial training could then help the applicant start his or her own business. See brochure.

ITEM #5: Public Comment/Good of the Order/Announcements

Chair Fonseca reported the Department submitted a Business Opportunities and Workforce Development (BOWD) proposal to FHWA for $2.0 million over two years. The funding will allow the Department to expand supportive service contracts 5 to 6 additional locations in the State. Councilmember Llewellyn suggested the Department consider using a portion of these funds to develop a formal marketing campaign targeted toward traditional and non-traditional careers in construction.

Next meeting in Sacramento: Friday, March 16, 2007.

Approved by:



OLIVIA FONSECA
Deputy Director, Office of Civil Rights