

Caltrans State-Wide Small Business Council Meeting Record

January 27th, 2023, 8:30 a.m. – 12:00 p.m.

- Conducted via WebEx, Caltrans District 11 Office, 4050 Taylor St, San Diego, CA, 92110
- Next Meeting: March 16th and 17th, 2023; Hybrid Meeting via WebEx and in-person at the District 10 Office in Stockton.

Welcome and Council Member Roll Call

- David DeLuz opened the meeting at 8:32 a.m.
- Housekeeping – David let in-person meeting attendees know where exits and bathrooms are, how to work the microphones, silent cellphones, Wi-Fi information, who to contact with questions regarding the facility, etc.
- Roll Call at 8:39 a.m.

Agenda Review, Action Items, and Meeting Record Approval

- Review Agenda and Approval of Meeting Record from November 18th, 2022.
- Discussion about Action Item #5 from the Meeting Record.
 - Paul Guerrero: Comment regarding the goals for Broadband.
 - As a rule, you can put DBE goals in a contract if it's federally funded. The 22.2% DBE goal is an annual goal on all projects, not per project.
 - Paul Guerrero: Everyone needs to keep in mind where the contract money might come from.
 - Title 23: Broadband is not funded by Title 23.
 - USDOT projects have DBE goals. Since Broadband is not a USDOT project, nor have they completed a disparity study, they do not have a DBE goal. However, Broadband does have a 25% Small Business goal and there are plans for a 3% DVBE goal to bring in more diverse and inclusive contractors.
 - Question: Is the 25% Small Business goal mandatory?
 - David DeLuz: It is mandatory in that setting the goal will be monitored and enforced. The 25% goal is not a quota because that is illegal under both Federal and State law. AB 2019 was an aspirational executive order that was codified into state law that 25% of procurement will go towards small businesses (SBs).
 - Eddie Lau: Overall feels optimistic about the 25% goal.
- Meeting Record Approval – 8:53 a.m.

Highlights

- California Winter Storms
 - 78 state highways were closed because of flooding and powerline issues from 9 atmospheric rivers resulting in heavy storms.
 - Caltrans crews worked 24 hours a day with the help of the contracting community with road repairs for over 3 weeks.
 - Damages are estimated to be a little over \$200 million state-wide.
 - Director Tavares encourages DBEs/SBs/DVBEs to help Caltrans through signing up to be a contact on the Emergency Contract Registry.
 - \$3 million will go to DBE contractors.
- AB 2019
 - California bill that requires a minimum goal of 25% of procurement to SBs. More SBs need to take advantage of this opportunity. This is the time for SBs to be lifted up and be able to have the same opportunities as larger companies.
 - Billions of dollars coming from FHWA
 - \$13 billion goes to transportation
 - SB1 produces \$5 billion for Caltrans projects.
- 2nd Annual Electric Vehicle Symposium
 - California is quickly building up electrical infrastructure/electric charging stations.
 - This is a partnership between Caltrans and California Energy Commission (CEC).
 - Maintaining the new infrastructure will give communities the opportunity to learn new trades and create a new workforce.
 - 50% of all the dollars coming into this project will go to SBs and DBEs.
 - \$384 million federal
 - \$3 billion state
- Heavy Equipment Academy
 - Partnership with FHWA, Highlands Charter School, and California Chamber of Commerce.
 - 20 students were selected for the program.
 - By the end of the training, the students will have gained new skills to use towards high-paying heavy equipment positions starting at \$90 an hour.
 - Programs like this will help promote growth in the construction industry.
- Recent Promotion
 - Donna Berry was recently promoted to Project Delivery Deputy Director. With 30 years of experience, Donna will oversee 11,000 employees within construction.

Questions / Discussion

- Jay King – AB 2019 is a requirement that all contracts will have a 25% small business participation goal going forward.
- Fred Jordan – Regarding the cost of electric vehicles; 50% of the dollars will go to marginalized communities.
 - Caltrans is working with partners to put electric chargers in low-income areas and subsidizing the cost to help make electric cars cheaper.
- Lynn Chen – Will EV charging be controlled by Caltrans or Local Assistance? When can we find more information regarding the Scope of Work and ways to maintain electrical connections?
 - California Energy Commission (CEC) is the lead on the EV project. Visit their website to find more information about the development and implementation of their plan.
 - <https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/california-electric-vehicle>
 - Caltrans will be implementing CEC's plan.
- Matthew Ajiake – How is Caltrans going to implement Middle Mile Broadband without the broadband companies involved with the JOCs? How will the goals be monitored by Caltrans?
 - 80% of the DBE/DVBE/SB contractors are already working with Caltrans.
- David DeLuz on the Broadband Middle Mile Initiative.
 - 29 bidders currently for the first-round projects for Broadband Middle Mile. All these businesses provided small business plans.
 - 27 out of 29 bidders submitted for non-small business preferences so they can meet the 25% SB annual statewide goal.
 - Reminder that Caltrans goal as an agency is 25% for small businesses. Not every contract will have 25% SB requirements.
- Jay King – What will determine if a contract requires 25% SBs?
 - The Scope of Work and subcontracting opportunities. The process is similar to determining DBE goals.

FHWA Update – Vincent Mammano

- Follow up question to Jay King – What are the communities doing to be available, accessible, and reachable? Do DBEs know where work areas without many contract opportunities are, and will they be willing to work out there so Caltrans can provide more opportunities?
- Mentioned that both he and Matthew Ajiake got to meet Mitch Lander, the Senior Advisor to the President on the Infrastructure Bill.
- When Vincent was talking to Mr. Lander, he stated that what is most important is to look for engagement and get the projects done.

- Know what is coming out:
 - Federal Aid Program: \$40 million for Golden Gate District Rehab
 - A Notice of Funding Opportunities (NOFO) grant recipient. One of four grant winners.
 - Safe Streets and Roads for All program
 - IJA-embedded discretionary program that is location specific and will be announced soon.
 - Only local agencies can apply.
 - FHWA and USDOT websites have most up-to-date information.
 - FHWA: <https://highways.dot.gov/>
 - USDOT: <https://www.transportation.gov/>
 - NOFO– Nationally Competitive Grant Program.
 - Know what types of work is being advertised.
 - Know the application requirements for the grant program.
 - Everyday Counts Workshop
 - Virtual Workshop
 - The weeklong program starts in February.

District SB Update (District 11) - Gustavo Dallarda

- District 11 now has a new Deputy Director of External Affairs, Caridad Sanchez
- The District 11 Maintenance division has exceeded their SB goals.
- District 11 has achieved:
 - 62% Small Business participation.
 - 4% DVBE participation
 - 31% DBE participation
- District 11 specifically gave kudos to their Minor B Branch.
 - 73 Minor B contracts were executed.
 - \$70 million total.
- Maria Ibarra and her team won the regional Rosa Parks award their support of women and small businesses.
- 18th Procurement Fair on August 31st – Video will be sent out to the SBC.
 - 403 attendees
 - 167 vendors
 - 61 exhibiting tables
 - 905 participants
- Pilot Programs
 - HAAS Alert System
 - Lit Cones in taper areas

District SB Update (District 4) - Dina El-Tawansy

- Upcoming Events
 - Small Business Certification Event with Office of Civil Rights, Northern Region Procurement Technical Assistance Center, and Black Chamber of Commerce to target non-certified/minority businesses.
 - Fred Jordan wants to attend the event (San Francisco Chamber of Commerce).
 - February 16th Event
 - Pre-Bid Meeting for Project 04-4J8504 via WebEx 10 a.m.-12 p.m.
 - Trucking Mentoring Series Webinar – ongoing
 - February 1st
 - Estimating Best Practices for Trucking
 - 11:00 a.m.-12:30 p.m.
 - February 8th
 - AB5 Compliance for Trucking
 - 11:00 a.m.-12:30 p.m.
 - Quarterly Outreach Program
 - February 22nd
 - February 24th event with David DeLuz
 - October 10th – DBE Summit

District SB Update Questions/Discussion

- Zeke Patten – Regarding the D11 and D4 Small Business reports
 - Zeke wants both Districts to confirm what percentages are showing for District 11 and District 4.

Caltrans State Partner Reports

Department of General Services (DGS) – Angela Shell

- Report to be sent after the meeting.
 - Statewide contracts, DGS specific contracts, stats
 - Outreach events – To be sent as a separate email.
 - How to do business with the state.
 - How to get certified.
- Certification as of January 2022
 - Small Business classification increased from \$15 million to \$16 million.
 - Small Business for Public Works (SB-PW) increased from \$37 million to \$38 million.
 - Micro Small Businesses are at \$5 million.
- DGS has a registry for emergency contracts ready/willing/able SBs and DVBEs for goods and services.
 - State-wide emergencies go into that registry.
- Small Business and DVBE Regulations Package

- Proposed regulation changes are at the Office of Administrative Law for finalization. The package was shared fall of 2022. Most of these updates were changes in the law since 2019.
 - AB 1574 and AB 2019 Updates – Setting Small Business Goals.
 - Updates will give guidance to agencies and allow them to increase the goals in their projects.
 - The new regulation package will be published within the next couple of months.
- AB 2019 – Starting on February 1st, 2023, there will be a 25% Small Business Goal across state spending.
 - DGS is currently putting out policy for this new requirement.
- Broadcast Bulletin
 - <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Broadcast-Bulletins>
 - The bulletin provides DGS information, along with directions for agencies.
- DGS recommends agencies make contracts simpler to support greater small business participation.
 - They want to help small businesses with little State experience compete for State Contract bids.
 - A reminder for DBEs: If your business is a DBE, it is certified as both a DBE and SB in federal regulations. A DBE can also register as a SB for the state and follow state regulations if they choose.
 - Caltrans is partnering with DGS to market certification of SB/DVBE firms to also become DBE firms.
- Currently, DGS is allowing any firms under Fi\$Cal as of April 2022, to self-identify their ownership type. It is completely voluntary. Firms can choose to publish in their certification profile if they are:
 - Women
 - Minority
 - LGBTQ+
 - Disability
- Reminder that DGS can take remedial action against other state departments if they do not meet their Small Business Goals.
- DGS is working on a Disparity Study that will be impacted state-wide and focuses on all contract types. The study is due to be finished by January 1st, 2025.

Caltrans State Partner Reports

Governor's Office of Business and Economic Development (GO-Biz) – Tara Lynn Gray

- Agency Goals for Small Businesses
 - Go-Biz will work closely with liaisons and advocates to help implement AB 2019.
 - Advertising/Partnering on Equity Action Plans
 - Building team at GO-Biz specifically to support AB 2019.
 - Currently three people are part of the AB 2019 team.
- New Programs
 - COVID Sick Leave Request for Proposal (RFP) for employers that have 26-49 employees.
 - California Rise – Regional initiative for employment/social enterprises
 - Two - part program that provides financial and technical assistance.
 - \$25 million enterprise, which will be distributed as \$250-\$500k grants.
 - The program will run until June 2024.
 - California Agricultural Relief Program – Small Agricultural Businesses impacted by severe drought
 - \$750k allocated, grants will not exceed \$25k.
 - The program will open on April 1st of this year.
 - Small Business Credit Initiative Program (SBBCI) – Capital program for loans and equity programs.
 - \$1.1 billion going to iBank and the California Pollution Control Financing Authority (CPCFA).
 - \$25 million for technical assistance
 - An RFP was sent out in October 2022 and will proceed once they get the notification of funding.
 - <https://www.treasurer.ca.gov/cpcfca/calcap/sb/ssbci.asp>
 - Accelerate CA Inclusive Hub Program (formerly i-HUB): Focuses on developing innovation clusters and diversifying the innovation economy.
 - 2020-2021 Budget: \$2.5 million
 - Increased to \$20 million towards incubators across the state. There are 13 hubs in total.
 - Five companies will compete for a \$100k investment for their firms.
 - <https://calosba.ca.gov/funding-grants-incentives/ihub2/>

Caltrans State Partner Reports

High-Speed Rail (HSR) - Annette Picetti

- Annette is the Small Business Outreach Manager with High-Speed Rail
- Sustainability Services Request for Quotation (RFQ)
- Delivery Report and Technical RFQs
 - Statements are due February 2nd, 2023

- Upcoming events
 - How to do business with HSR
 - January 31st from 11a.m.-12 p.m.
 - Business Outreach Workshops for Professional Services
 - February 7th and 16th. The outreach workshop on the 16th will take place in Oakland.
 - Meet the Prime events
 - February 2nd from 11a.m. -12 p.m.
 - February 28th from 11 a.m. – 12 p.m.
- Visit hsr.ca.gov for more information.
- Email: SBPrograms@HSR.ca.gov

Caltrans State Partner Reports – Questions and Discussion (DGS, Go-BIZ, HSR)

- Fred Jordan: Wants the data of Emergency Contracts awarded to Small Businesses. (DGS)
 - DGS can send out numbers from statewide level contracts. For SB/DVBE numbers, they focus more on local contracts.
 - Fred Jordan also asked about Caltrans data. David DeLuz stated that Director Tony Tavares has presented Caltrans awards to emergency contracts earlier. In total, \$3 million goes to DBEs from Emergency Contracts.
- Vincent Mammano (FHWA): It is important for contractors and the associations that represent them to know about funding opportunities that are going to be coming out soon.
- Matthew Ajiake: How is DGS going to advertise the changes from AB 2019 to locals?
 - Angela Shell: The new 25% goal is mandatory for state agencies but optional for local agencies. However, we encourage the local agencies to apply state requirements to their projects as well.

Local Assistance/Professional Services Committee Report – Albert Leong

- Chair/Vice Chair Elections
 - Chair: Albert Leong
 - Vice Chair: Johnathan Hou and Trinity Nguyen
- 11 out of 15 committee members and 10 Caltrans staff attended the committee meeting.
- Overall, the Committee was pleased with the in-person meetings, and they want to have more of these types of meetings scheduled. Stated that the last couple of years have been difficult and not as effective due to meetings being online.

- Did not have time to create a plan for 2023 during this meeting, they are wanting to meet up again during the month of February. Encouraged Caltrans staff to set up the meeting.
- Goals:
 - Small Business Acquisition
 - Small Business Set-Asides (Ways to engage Small Businesses)
 - A&E Bench Program – Will revisit later this year.

Commodities Committee Report – Zeke Patton

- Chair/Vice Chair Elections
 - Chair: Zeke Patton
 - Vice Chair: Lee Cunningham
- Shout-out to Maria Ibarra for being helpful during the Commodities Committee meeting.
- Goals
 - Determine the dollar amount for contracts, absent PIA, and warehouse dollars.
 - Request meeting with Caltrans for verification procedure.
 - Work with District Small Business Liaisons more often.
 - Invite Caltrans large primes to attend Small Business meetings so that the committee can learn how to select their suppliers.
- Discussion
 - Wants answers in the March meeting from Caltrans on how to procure products.
 - David wants them to submit their request in writing, specifically stating what they are wanting. The information can be shared with everyone as a way of being held accountable.

Construction Committee Report – Debbie Hunsaker

- Chair/Vice Chair Elections
 - Chair: Debbie Hunsaker
 - Vice Chair: Rebecca Llewellyn
- Goals:
 - Safety is top priority
 - Cost Escalation – Meeting with Caltrans Legislative Affairs
 - Requested that Taelor and David arrange a meeting with the legislative director to see if they can assist in implementing legislation to provide relief from cost escalation.
 - Outreach and Events for Small Businesses
 - Add outreach events to the Caltrans calendar and keep them updated for contractors.

- Report on successes and create a discussion on why some events were not successful.
- Meeting Structures
 - Staggering start and end times to allow more members to attend each others committee meetings. Will encourage new participation if an extra half day is implemented.
- David DeLuz – On meeting structures
 - Adding the extra half day could allow the Friday meeting to be a broader conversation that could allow us to drill down on issues. This type of meeting structure is a commitment and everyone on the Small Business Council is there as a volunteer.
 - A survey will be sent out to everyone to see if that kind of meeting structure is something everyone can commit to.

BREAK

- Break Start: 10:48 a.m.
- Break End: 10:55 a.m.

African American DBE Participation Ad-Hoc Committee – Jay King

- 96% of African American Small Businesses are micro-businesses. Only 4% of these businesses employ more than one person. Out of these businesses, only 1% of them are getting Caltrans contracts. Strategies are needed to meet goals for African American communities.
- African American businesses that are not certified to be DBEs need to be identified. Which of these businesses are actually bidding for Caltrans projects and which ones are actually winning Caltrans contracts.
- Legislation: The committee is excited about AB 1574 and that SB 103 allows expansion on hosted events for DGS, CT, and EDD Veterans Committee.
- Trainings: It is recommended to use National Highway Institute Trainings to educate the Small Business Council about the FHWA programs and the fundings that are available for small businesses.

Action Item Review – David DeLuz

- Professional Services Bench Program Status – District 11 is attempting to use the SANDAG Bench Model and DPAC to pilot the program on a District 11 project.
 - David DeLuz: What is the problem we are trying to solve? Is there another idea for solutions? What are the barriers to any possible tools?
 - Fred Jordan: Currently, 30 states have a bench program and advocates for the program to establish pre-qualifications to encourage contractors to participate.
 - Jay King: Is the bench program a false flag or an actual possibility?
 - David DeLuz: We are exploring the bench program as a pilot to identify the barriers and possible policy changes or solutions.

- Shari Tavafrashti – Expansion of California small businesses; Engage young and new small business owners to our Council and general engagement.
- Annie Aguilar: Procurement can open the door for a small business to join a team that is winning projects and contracts.

Small Business Council – Large Group Discussion

- Top Three Priorities of 2022 (5 minutes on addressing these topics):
 - Partnerships and “teaming” with SB/DVBEs, DBEs, Primes, and Districts.
 - Increasing Prime Awareness of SB 1 requirements.
 - Opportunities for Infrastructure and Investments Jobs Act (IIJA) contracts.
- Progress in 2022 priorities:
 - Jay King: SBC/CT does not have a good plan and both groups do not understand each other. The council attends these meetings once every quarter and describes what should happen. African American businesses need to fight for outreach – an issue that needs to be addressed.
 - Outreach issues that need to be addressed:
 - Training
 - Business Language
 - Governmental Contracts
 - SB 1 funds for training and outreach have not been used effectively.
 - Funds should not be based on what Caltrans picked, but what industry leaders need.
 - Eddie Lau: How does the funding come to Caltrans and Local Agencies and who is monitoring the achievement of the funding? Does Caltrans co-mingle SB-1 with federal funds?
 - There is no separate tracking for SB-1 dollars. Information does get updated when OCR shares SB-1 data about funding and projects that we are doing to meet the SB-1 goals. David states that any further information or questions the staff will answer in writing.
 - Fred Jordan: What does it mean to achieve item 2?
 - Matthew Ajiake: The SB-1 Ad Hoc committee will serve the final report before the next meeting. The goal of item 2 was to encourage Primes to report on what they are achieving with SB-1 projects.
 - Jay King: If we do not understand the item, I would say that we did not do well.
 - Matthew Ajiake: We need more reporting on the partnerships we have achieved and drill down more on the results.
 - Rich Wallace: It is hard for a group of volunteers to judge how Caltrans and local agencies are reaching constituents, but we need paid staff to help us coordinate.

- David DeLuz: Our DSBLs are meant to be the connection between the contracting partners, the agencies, and the business owners.
- Rich Wallace in response to David: We need to make better efforts to use the staff in the districts.
- Overall, more information about the DSBLs and their roles in the Districts needs to be blasted out.
- Elizabeth Perez – Former Deputy Director for California Department of Veteran Affairs
 - Oversaw the DVBE program
 - DVBE Contractors list
- Rebecca Llewellyn: Primes will only use low-bid small businesses.
- Annie Aguilar: Pointed out the D11 Meet the Subs event (suggested taking the model state-wide).
- Karen Nelson: The SBC needs to determine a baseline to measure success from using metrics such as:
 - Number of events
 - Outreach efforts

Consensus on how to proceed

- David DeLuz: How does the Council want to move forward? It appears we still have issues with communication and education for contractors.
 - How to work with Caltrans
- Shari Tavafrashti: With the introduction of the Middle Mile Broadband and Electric Vehicles, there are now more related mobility opportunities for Caltrans. Will we look into those areas now Caltrans has jurisdiction?
- Jesus Vargas: There are new opportunities for co-training on tech investments now that there is new technology to focus on, new contracting opportunities, and current membership falls into transit agencies.
- Albert Leong: Can we share our experiences with other local SBCs so we can work concurrently? Especially since local SBCs share the same goals?
 - Identify Local SBCs that State SBCs can work with to align efforts.
- Debbie Hunsaker: Suggested a Bench Program for construction and suppliers, contractor trainings, and status of projects that the Council and committees are committed to working on.

New issues to focus on for 2023

- Outreach and education
- New technology and expansion of mobility types
- Increase synergy with DSBLs and local SBCs
- Bench program for Construction

New Business – David DeLuz

- Action Items (listed by Norman Tuttle):
 - Emergency contracts awarded to small businesses
 - SBLs to provide more for the SBC
 - Identify what state efforts to work with.
 - Surveys for 2022 and 2023
- Eddie Lau wants to move the next meeting to Stockton to honor fellow SBC council member Paul Guerrero and recognize their services. Guerrero is the SBC's most senior member and their wife passed away back in November.
 - Motion on floor to move the next meeting to District 10.
 - Motion is carried out. District 10 approval needed.

Public Comment – David DeLuz

- Shari Tavafrashti introduced a new item to be placed on the agenda called arial mobility.
 - David DeLuz encouraged them to send OCR a proposal on what that item might look like on the agenda.
- Pete Verma - regarding partnering with SBs (action item).
 - 29 Primes are interested in the Middle Mile Broadband project.
 - Suggested partnering with Primes to help engage SBs in the Broadband project.
 - David stated that CT/OCR are working with the Black Chamber of Commerce.

Closing Remarks – David DeLuz

- David said that he will look into making the next SBC meeting take place at the District 10 Office (Stockton).

Meeting Adjourned

- Meeting Adjourned: 12:15 P.M.

Next Meeting

- March 16-17 via WebEx
 - Hybrid meeting – WebEx and District 10 (Stockton)

Council Members – Roll Call

- Annie Aguilar – American Public Works Association, San Diego Chapter
- Dr. Matthew Ajjake – San Francisco Bay Area Small Business Council
- Julian Canente – California Hispanic Chambers of Commerce.
- Arvin Chaudhary – American Council of Engineering Companies- California
- Lynn Chen – California Chinese American Construction Professionals
- Candace Friedman – Women's Construction Coalition
- Paul Guerrero – La Raza Roundtable de California
- Jonathan Hou – Asian Business Community Development
- Debbie Hunsaker – Fresno Chamber of Commerce
- Bernard Johnson – California African American Chamber of Commerce
- Fred Jordan – San Francisco African American Chamber of Commerce
- Jay King – California Black Chamber of Commerce
- Will McClure – California Black Chamber of Commerce
- Eddie Lau – Asian American Architects and Engineers
- Trinity Nguyen – Conference of Minority Transportation Officials, Northern California
- Jesus Vargas - Conference of Minority Transportation Officials, Northern California
- Albert Leung – Asian American Architects and Engineers, Southern California
- Dr. Cassandra Little – Fresno Metro Black Chamber of Commerce
- Rebecca Llewellyn – Women Construction Owners and Executives, USA
- Shalia Rao Mistry – National Association of Women Business Owners, CA
- Karen Nelson – California Asian Pacific Chamber of Commerce
- Zeke Patten – Black Business Association
- Vanessa Gleich – American Indian Chamber of Commerce of California
- Shari Tavafrashti – WTS International, San Francisco Chapter
- Lisa Vela – San Joaquin County Hispanic Chamber of Commerce
- Rich Wallace – Southern California Black Chamber of Commerce