

Caltrans State-Wide Small Business Council Meeting Record

May 19th, 2023, 8:30 a.m. – 12:00 p.m.

- Conducted via WebEx, Caltrans District 4 Office, 111 Grand Ave, Oakland, CA 94612, Park View Room.
- Next Meeting: July 27th and 28th, 2023; Hybrid Meeting via WebEx and in-person at the Headquarters in Sacramento, CA.

Action Items

- District 4 video will be shared with Council
- Caltrans will share links regarding FHWA
- Caltrans OCR staff will choose a location for in-person/hybrid July SBC Meeting
- Move forward with bonding and access to capital as the new SBC goal
- Council will be seeking volunteers to form subcommittee to reexamine committee meeting structure and schedule
- Move forward with a strategy to foster engagement in local communities
- Caltrans will look into getting someone in Aeronautics to join their meetings.

Welcome and Council Member Roll Call

- Meeting start: 8:38 a.m.
- Quorum Reached: 8:42 a.m.

Agenda Review and Meeting Record Approval

- No questions on the meeting agenda.
- Approval – March 17, 2023 Meeting Record
 - Meeting record motioned by Dr. Matthew Ajiake and Eddy Lau.
 - Motion carried to accept the meeting record as amended.

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

- District 4 DSBLs presented a video showcasing their efforts in helping the small business (SB) community.
 - District 4 Director, Dina El-Tawansy, noted that due to the storm damage and the subsequent large amount of work, District 4 made a concentrated effort to ensure work was available for small businesses.
- Recognition of Bonny Nyaga, new Disadvantaged and Small Business Enterprise Support Manager in the Director's Office for his extensive work.
- Dina El-Tawansy recognized the work of District 4's Small Business Liaisons and staff:
 - Cheryl Chambers, Deputy District Director of External Affairs
 - Cecilia Gutierrez, Chief Executive Liaison
 - Talitha Lott, Small Business Liaison
 - Deneen Ogbeide, Small Business Liaison
 - Grace Cowherd, Small Business Student Assistant

- Ayanna Nobles, Branch Chief/Small Business Program Manager.
- Chair David DeLuz added that District 4 is leading the way in small business opportunities. He thanked District 4 for their innovation and leadership.

Highlights from the Director's Office – Michael Keever, Chief Deputy Director

- Director Tavares was unable to join.
- Safety remains important. Caltrans is committed to making transportation systems safer.
 - Landscaper Quanda McGadney was hit and killed along Interstate 80 near Vacaville by an impaired hit-and-run driver June 3, 2022, and
 - Fresno Civil Engineer Ali Shabazz was hit and killed August 7, 2022.
 - Go slow in the cone zone, stay work zone alert.
 - Earlier this week, Caltrans joined the California Office of Traffic Safety to launch the “Go Safely Movement” campaign.
 - This campaign aims to establish a strong safety culture in California by raising awareness of the roadway crisis and encouraging people to take a Community Call to Action Survey – the results of which will help the state to prioritize highway safety planning efforts and identify “traffic safety champions” to yield more community-level involvement in traffic safety initiatives.
- The Investment and Jobs Act (IIJA), SB1, and emergency contracts resulted in more work on California's highways. Caltrans would like to thank all small businesses who are participating in this work.
 - Caltrans is currently at 24% of their 22.2% small business goals.
 - More work will continue to come as the busy season of Caltrans begins. There are a lot of maintenance contracts out for bid.
 - \$1 billion is going to emergency contracts, with most of the dollars going to small businesses.
- New Permanent Appointments
 - Since 2007 Bonny Nyaga has managed Caltrans' Construction Mentor Protégé Program, which aims to increase the participation of emerging construction companies in public works construction procurement and contracting. The mentor protégé program will be expanded with the help of Gloria Roberts and her team.
 - Licensed Professional Engineer Catalino Pining promoted to District 8 Director. During his nearly 30 years at Caltrans, Catalino has led the Bay Area, Los Angeles and Inland Empire districts and several divisions.
 - Scott Eades, with over 30 years of experience, is the new District 5 Deputy Director.
- Questions and Comments
 - Dr. Matthew Ajjake – Regarding the state of infrastructure for projected/received work and percentage of participation going into that work.

- Districts are all participating, and the budget provided is the largest that California has ever received.
- Typically, California is about 10% of the federal transportation program – this time it is about 12%, which is about 20% more. Construction might also get more funding in the future.
- Rebuilding California website reports up to date progress reports and dollar amounts.
 - <https://rebuildingca.ca.gov/>
 - SB Funding - <https://rebuildingca.ca.gov/sb-1-by-the-numbers>
 - IJA Funding - <https://rebuildingca.ca.gov/ija-by-the-numbers>
- Reminder that the federal transportation program is part of the IJA program.
- Jesus Vargas proposed a motion to move SBC meeting to hybrid.
 - Motion supported by Zeke Patton and Albert Leung.
 - Motion carried.

FHWA Update – Vince Mammano

- Compliance changes are being implemented in the Caltrans Division of Local Assistance. A new compliance civil rights group is being assembled to ensure regulations are being met throughout the 600 local agencies that have federal contracts.
- OCR will be developing a DBE supportive services branch meant for technical assistance.
- The Federal Highway Administration (FHWA), in cooperation with Caltrans, performed a DBE compliance review.
 - FHWA appreciated Caltrans' willingness to critically examine themselves.
 - Results are not yet available from the compliance review but will be shared with the group soon. FHWA saw a lot of positive change.
- FHWA encourages the council to approach Vince Mammano at events so that he can introduce you to senior leadership.
 - Example: Vince introduced Dr. Matthew Ajiake to Mitchell Landrieu.
- In total, 73 discretionary grants came from California – these grants are mostly going to local agencies directly.
 - Sharing grant information shows council members where the work is.
 - Federal Highway website – there is a link of all the Notice of Funding opportunities.
 - Grant Writing Training – Found on DOT Website
- SBs/DBEs need to build relationships with local agencies and the council members need to share information with their groups.
 - Local Assistance could provide information from DOT on jobs that are bypassing Caltrans.
 - CALSTA has a list of all grants that are coming to California.

- Links David DeLuz provided in WebEx.
 - Congressionally Directed Spending
 - <https://www.fhwa.dot.gov/specialfunding/congdesign.cfm>
 - Congressionally Directed Highway Infrastructure Program
 - <https://www.fhwa.dot.gov/specialfunding/hip/20230321.pdf>

Action Item Review

- No questions or comments on Action Items from the March SBC meeting.

Broadband Middle Mile Initiative Update – Janice Benton, Assistant Deputy Director of MMBI

- Delivery Timeline
 - In July 2021, SB156 became law and in mid-2022 the CA Department of Technology (CDT) developed the network design for served/underserved communities. CDT also recognized the potential impact of global supply chain issues on delivering the Middle-Mile Broadband Network and to address that procured materials to provide to contractors. CDT stated impact to MMBI. To address that, CDT procured materials provided to the contractors.
 - So far, MMBI has procured 5 regional job order contracts (JOCs) and executed 11 Construction Manager/General Contractor pre-construction services contracts.
- Anticipated Materials and Logistics Plan
 - CDT has a logistics contractor to manage materials, ensure materials are readily available throughout the state, and that the minimum number of materials are available.
 - There are few materials that are not furnished by the state. Those materials are clearly stated in the contract agreements.
- SB and DVBE Utilization
 - The JOC requirements state that all contractors must submit a plan on how they are going to achieve both the SB (25%) and DVBE (3%) targets.
 - Reports will be processed to ensure these plans are followed.
 - SB/DVBE utilization is defined in work orders and emphasized in meet the prime events.
- Questions and Comments
 - Is there a DBE goal? (Annie Aguilar)
 - No. The funding for MMBI is not from FHWA. The funds are a different type of federal funds. (Michelle Lopez-Hardie)
 - MMBI is funded through federal American Rescue Plan Act funds which are from the U.S. Department of the Treasury.
 - How is Caltrans helping locals become aware of nearby MMBI projects? How are micro businesses (MB) informed so that they could be involved and participate in these projects? (Shari Tavafrashti)
 - MB certification comes with SB certifications if they meet the correct criteria. Many of the SBs that are involved in these projects

might be dual certified. Outside of that, there are no specific targets for MBs. (Michelle Lopez-Hardie)

- 84% of SBs are MBs.
- David DeLuz asks Shari to provide an example of what Caltrans should be doing.
 - Example: Mentioned communities in Salinas coming together to see what opportunities are available and use workforce development programs to find resources on projects that focused on Salinas. (Shari Tavafrahti)
 - Dina El-Tawansy tells Shari that if she is aware of certain community groups within their district to reach out to the district to bring attention to that community.
- If the state can purchase materials for MMBI, why can't they do the same for bonding? (Dr. Matthew Ajiake)
 - Purchasing materials and bonding are two different things, but the concept is not different. It is suggested to look further into the subject. (Vince Mammano)
 - IBank from Go-Biz used to have a bonding program. (Tara Lynn Gray)
- From the supplier side, it is suggested that MMBI follow the work orders on the JOCs closely to ensure the regulations are being followed for SB/DVBE supplier businesses. (Lee Cunningham)

Caltrans State Partner Reports Department of General Services (DGS) – Anda Draghici

- DGS procurement and contracting opportunities will be emailed to the council.
 - Four statewide contracts and procurement agreements.
 - Example of contracts/procurements: food service supplies, paper, body armor, and paratransit.
- DGS attended 42 outreach events since March
 - Future outreach events: <https://www.dgs.ca.gov/PD/Events>
- Certification Updates
 - To clarify the 2022 proposed changes, DGS is re-noticing for a 15-day public comment period, which started on Monday, May 15 and will end on May 30, at 5:00 p.m. No additional major changes were made to language initially proposed in 2022.
- AB 2019 Implementation
 - Certified SB/DVBE and other state bidder/vendors/suppliers can voluntarily enter their diversity information in Cal eProcure. The information can be viewed on SB/DVBE certification profiles under "View Supplier Diversity Information."
 - OSDS partnered with OCR to reach out to DBEs that are not SB-certified. Communication to 4,000+ uncertified DBEs was sent out in April.

- The FY 2021-2022 Consolidated Annual Report has been approved and is in the process of being published.
 - The state awarded a total of \$13.38 billion dollars in contracts, with \$1.3 billion in emergency contracts.
 - DGS attained 4.72% DVBE participation (\$646 million) and 24.82% SB participation (\$3.3 billion total - \$1.5 for SBs and \$1.8 for MBs).
 - Caltrans attained 4.31% DVBE participation (\$93 million) and 38.09% SB participation (\$828.6 million total, \$514 million for SBs and \$315 million for MBs).
- Upcoming trainings for state departments:
 - Fi\$Cal Transaction Departments June 5 and June 7
 - Brand new DVBE training on how to do business with the state from July to October
 - Commercially Useful Function for SB/DVBE first module
- Matt Victoriano is the new Certification Manager
- Diversity Program
 - Since the launch of the Diversity Data in 2022, 6,400+ bidders/vendors have added their information. 2,500+ were certified.

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

- Grant Programs Update
 - 13 Grant Programs Available
 - Covid Relief Grant Programs have announced closure on June 30th.
 - Nonprofit Workforce Development is still open but will close soon.
 - Supplemental Paid Sick Leave will open in 30 days.
 - Applications for a one-time \$250 million grant for small businesses
 - <https://calosba.ca.gov/funding-grants-incentives/sick-leave-grant-program/>
 - Agricultural Grant Program, \$75 million for those small businesses negatively affected by drought conditions. Program launches in summer of 2023.
- Accelerate California – Inclusive Innovation Hub Program
 - The program started with seven awards of \$250k over four years for each hub center.
 - Round two will be for those who have never been a designated hub.
- GO-Biz is currently developing a framework for an equity and diversity plan after the recent AB-2019 roundtable. Draft will be completed in the next 30 days.
 - There are job postings for local engagement specialists advertised in Los Angeles, Monterey, and Shasta counties. Resiliency training coordinator positions are being advertised for the Central Valley and L.A. County.

Caltrans State Partner Reports – High Speed Rail – Catrina Blair

- No update provided.

Break

- Break Start: 10:32 a.m.
- Break End: 10:45 a.m.

Local Assistance/Professional Services Committee Reports - Albert Leung

- The committee is continuing to review all the reports that Caltrans has been generating.
 - Identify what SBs, DBEs, and DVBEs can do to increase their opportunities with Caltrans and other agencies.
 - Identify what Caltrans can do to increase SB, DBE, and DVBE participation in state and federal programs.
 - A lot of discussion on bench contracts relating to rules and regulations to be changed.
 - The committee is planning on having a meeting with OCR for further discussion.
- Committee must review current training modules. The Pave Your Way to Success training will be reviewed and broadcasted to members.
- New Office Chief of the Department of Local Assistance, Civil Rights Compliance announced, Pauline Valenzuela.
- Professional Services Contracts
 - There is a separate goal for PS design field projects. Might have a misunderstanding on whether that issue is settled or not, Committee will follow-up.
- Noya Wang, new committee member introduced, representing Asian American Architects and Engineers.

Commodities Committee Reports – Zeke Patton

- Commodities Meeting time change to one hour to accommodate schedule. Zeke believed 1 hour was sufficient.
- New agenda item: Examine the California Department of Technology purchases.
- No update on commodities purchases as DPAC did not attend.
- Discussed the Procurement Fair with the District. Concern that there were no purchases.
 - Ayanna Nobles stated that District 4 does not have purchasing at the Procurement Fair. The goal is to provide an opportunity to meet new suppliers so that they can get their needs met at a later time.
- Reviewed committee goals. Not all goals were achieved but plan to hit them this year.
- Committee has had an action item for 4 years about inviting someone from Maintenance to join the meetings.

Construction Committee Reports – Debbie Hunsaker

- 5 of the committee members showed up, along with strong support from Caltrans staff. Special thanks to all the Caltrans staff.
- Debbie Hunsaker attended the Local Assistance Professional Services meeting beforehand. There was some discussion about staggering the meeting.
- Emergency Contracts
 - With emergency contracts due to snow and rainfall, there are challenges for SBs which fall under Prompt Pay and how that works on the Emergency Contracts.
 - Manufacturer terms are getting tougher. They used to be 30 days. Vendors have been sent past dues early.
 - Talk further with D11 on ways to get paid in a timelier fashion.
 - Meet with D11 to see what all the rules are regarding Emergency Work for SBs. There are different rules depending on division. Candace will spearhead this.
- Minor B contracts
 - How can these be tracked? The Division of Construction stated that not all these contracts go through their office.
 - Lindsey Woolsey gave update on B2Gnow. B2Gnow is part of the standard specs, so it should help somewhat with the prompt payment issues.
- Insurance/Bonding
 - Committee discussed the increase of insurance costs and how those affect small businesses. Caltrans tested CCIP and OCIP programs. By next meeting there will be more information on this.
- Local Agencies aren't using/aren't required to use work codes.
 - What is the best way to investigate this? Possibly work with Local Assistance. If there is a relationship with local agencies to have that conversation, it would be easier to institute work codes.
 - Michelle Lopez-Hardie will bring SB utilization of DBEs information to next meeting.
- Is there a need to re-examine the committee structure overall?
 - David DeLuz stated that for the last three years, the council focused on goals and moving forward. Over the next couple of months, the council should address and put together a subcommittee to examine the current structure of the Committee Meetings.
 - Motion to create a subcommittee to evaluate the structure of the SBC Committee Meetings put forward by Dr. Matthew Ajiake. Seconded by Zeke Patten.
 - Motion carried.
 - Shari Tavafrashti suggested dedicating 1 hour after the subcommittee meetings for council members to come together to collaborate.
 - OCR reports are being presented at this time – this can easily be moved around.

African American DBE Participation Ad Hoc Committee – Will McClure

- Co-chair Will McClure presented this section as Chair Jay King was absent.
- The Committee has been taking a proactive approach with identifying federal and local projects that people can bid on and win.
 - Currently working with the California Asian Pacific Chamber of Commerce and Lucy Anne Raminsky.
 - 71 meetings between five JOC Primes and the subcontractors. The last meeting Will McClure participated in had about 116 subcontractors participating.
 - There has also been an increase in subcontractor participation in the MMBI meetings.
- Working with OCR and DSBLs on the importance of dual certification.
- Success in matchmaking with prime contractors.
 - Success in matchmaking for Zeke Patten's company as well as Lee Cunningham's company.
- Assembly Bill 1574
 - Thanks to OCR, DGS, DPAC, David Prizmich...there are a lot more SB only on Minor B projects on Cal-E-Procure.
- PG&E are offering self-paced developmental trainings for entering the supply chain industry through either working with a corporation or a public entity.
 - These trainings include:
 - Introduction into SB relationship models
 - Strategies for subcontracting opportunities.
- Comments:
 - Elizabeth Perez gave candid feedback and expressed concerns about the tendency for prime contractors to commit to SBs and hire and quickly drop the SB once the SB makes the goal.

SBC Topic – Review results from survey on topic of identifying supportive services needed by emerging firms

- Survey was issued by Caltrans about three weeks ago.
 - There were eight total responses or 25% council participation.
 - Reminder to all council members to participate in surveys so that Caltrans can provide effective and helpful support.
 - Norman Tuttle presented the survey results.
- Which supportive services are most effective in assisting SBs?
 - The top choices were technical assistance and contracting assistance.
- For your top choice of most effective supportive services, what type of support are you looking for specifically?
 - 1:1 advising and guidance in project language, hands-on project level assistance
- Discussion:
 - Annie Aguilar asked for clarification on what technical assistance means. It is a bit broad.

- Dr. Matthew Ajjake stated that each company needs different types of technical assistance.
- Shari Tavafrashti followed up that bonding is a type of technical assistance that can be identified and volunteered to help on the topic.
- The council decided to move forward with bonding/access to capital as a new goal. Motion to move forward approved by Shari Tavafrashti and Dr. Matthew Ajjake.
 - Motion carried.
- Fred Jordan stated there is a need for overhead and safe harbor rates that could help a new A&E become a professional service.
- Lee Cunningham stated that the needs of A&E, suppliers, and construction are very different. Suppliers are interested in things construction are not. Are you trying to help more SBs to get contracts? Different needs mean different approaches.
- Regarding financial institutions
 - Caltrans does not want to get into a relationship with a single financial provider – specifically a private firm with a private motive.
 - Caltrans would be more pre-disposed to partner with I-Bank or CDFI which are government owned.
- Prompt payment
 - Rebecca Llewellyn commented that if Caltrans can ensure payments to small businesses in a timely manner, that more small businesses will be willing to bid on projects.
 - Caltrans is currently working with the State Controller's Office to figure out a solution for the subcontractor payment concerns. (David DeLuz)
 - Reminder that B2Gnow is implemented to assist with prompt payment issues.

New Business

- David DeLuz questioned if Caltrans might be missing opportunities to engage local community partners. Could a strategy to improve engagement for local communities be created? The strategy would focus on communication, encouraging awareness and engagement with the projects in local communities.
 - Motion by Shari Tavarashti to work on a strategy to connect with local communities where work is being done by Caltrans. Seconded by Jesus Vargas. Motion carried.
- Fred Jordan suggested looking into zip codes of certain areas to be included as part of the local hire strategy/geographic preference strategy.
 - Caltrans needs to check in with DPAC because the strategy might already be applied through DGS.

- CalEnviroScreen is a tool for identifying demographic data. (Tara Lynn Gray)
 - <https://oehha.ca.gov/calenviroscreen>
 - Caltrans is already using elements from CalEnviroScreen for their own equity index. (David DeLuz)
- Shari Tavarashti suggested that the Council involve Caltrans aeronautics.
 - Caltrans will look into getting someone in Aeronautics to join the meetings.
 - Mark Samuelson stated that Aeronautics have moved to the Department of Transportation Planning, under Office of Multi-Modal System Planning.

Public Comment

- Jesus Vargas mentioned that the Conference of Minority Transportation Officials (COMTO) National Convention will take place in LA from July 8th – July 11th.

Closing Remarks

- None.

Meeting Adjourned

- Meeting adjourned at 12:10 p.m.

Next Meeting

- July 27th and 28th, 2023
 - Hybrid meeting – WebEx and HQ (Sacramento)

Council Members – Roll Call

- Annie Aguilar – American Public Works Association, San Diego Chapter
- Dr. Matthew Ajiake – San Francisco Bay Area Small Business Council
- Julian Canete, California Hispanic Chamber of Commerce
- Derek Carroll – Elite Service Disabled Veteran Owned Business Network,
- Lynn Chen, California Chinese American Construction Professionals, Inc.
- Lee Cunningham, Women Construction Owners and Executives, CA Chapter
- Paul Guerrero, La Raza Roundtable de California
- Bruce Giron, National Association of Minority Contractors, NorCal Chapter
- Johnathan Hou, Asian Business Community Development
- Debbie Hunsaker, Fresno Chamber of Commerce
- Fred Jordan, San Francisco African American Chamber of Commerce
- Dr. Cassandra Little, Fresno Metro Black Chamber of Commerce
- Will McClure, California Black Chamber of Commerce (?)
- Eddy Lau, Asian American Architects and Engineers
- Albert Leung, Asian American Architects and Engineers, Southern California
- Rebecca Llewellyn, Women Construction Owners and Executives, USA
- Karen Nelson, California Asian Pacific Chamber of Commerce
- Zeke Patten, Black Business Association
- Shari Tavafrashti, WTS International, San Francisco

- Jesus Vargas, Conference of Minority Transportation Officials, NorCal
- Lisa Vela, San Joaquin County Hispanic Chamber of Commerce