



# CALIFORNIA High-Speed Rail Authority

## Business Advisory Council (BAC) Summary Meeting Notes for June 16, 2016

### Summary Notes

770 3<sup>rd</sup> Street, West Sacramento, CA

Members Present:

Association	Primary	Alternate
ACEC	Arvin Chaudhary	
AICC	Adam Holt	
AAAE	Eddy Lau	Ellen Lee
AAa/e	Linden Nishinaga	
AGC		
CBCC	Aubry Stone	
CMAA		
COMTO		Jesus Vargas
DVBA	Laura Uden	
GFACC		Lydia Zabrycki
KMCA	Marvin Dean	
LBA	Leonard Ortiz	
LRRT	Paul Guerrero	
NAACP		
NAMC		
NCA	Diana LaCome	
SFAACC		
SAME	Nathan Rockwood	
USPAACC		
WCOE		
WTS		Shari Tavafrashti

**Chair:** Lisa Marie Alley

**Vacant Seat(s):** Sam Hassoun (AGC), Esther Shaw (CMAA), Betty Williams (NAACP), Peter Varma (NAMC), Fred Jordan (SFAACC), Clyde Wong (USPAACC), Lee Cunningham (WCOE)

**California High-Speed Rail Authority (Authority) Team Present:** Alice Rodriguez – CHSRA Small Business Advocate, Darin Kishiyama – CHSRA Supervising Transportation Engineer, Russell Fong – CHSRA Chief Financial Officer, Karen Massie – CHSRA Information Officer, Terry Marcellus – RDP, Alex McCracken – RDP, Austin Kidwell – RDP, Meilani Sabadlab – RDP

**Guests:** Maurice Young (TPZP), Angela Roberson (California Rail Builders), Amanda Craft (California Rail Builders), Tanya Little (Department of General Services), Michael Aguilio (Department of General Services)

## **1. Welcome and Introductions (Lisa Marie)**

- Council Chair called the meeting to order at 1:05 PM and welcomed everyone for attending.
- Russell Fong, Chief Financial Officer, was introduced and Darin Kishiyama, Supervising Transportation Engineer was welcomed back.
- The council was informed that Jose Camarena, CHSRA Compliance Manager, would be absent due to jury duty. However, Austin Kidwell would provide a compliance update on Mr. Camarena's behalf.
- Council Chair concluded opening remarks with introductions from all BAC participants.

## **2. Approval of April 20, 2016 Business Advisory Council Meeting Minutes (Alice Rodriguez)**

- Ms. Rodriguez mentioned the draft meeting minutes were emailed to BAC Members on June 7 and asked if there were any questions or concerns regarding the minutes.
- There were no objections to the draft minutes.
- Member LaCome motioned that the minutes from the April 20, 2016 Council Meeting be adopted. Member Uden seconded the motion.

## **3. Prior Meeting Requests (Alice Rodriguez)**

- Council Chair summarized a list of requests from the April 20<sup>th</sup> Business Advisory Council Meeting and followed with the results of the requests. The Authority delivered on the following Business Advisory Council Requests:
  - The Authority supplied BAC Members with the "SB Utilization Report on State Route 99 Contract with Caltrans" – BAC requested a breakdown of Caltrans contract (SR-99) by small business goal, small business certification and the dollar value of each sub-consultants' YTD expenses.
  - BAC requested contract specific utilization for Construction Packages and a breakdown of the Primes' subcontractors – Council Chair informed the Council this report was a work in progress and when available, would be distributed to BAC members via email.

### ***BAC Member Questions and Concerns:***

- Member Dean requested the firm names used to calculate the SB Utilization Report on SR-99.
- Member Tavafrashti requested to receive electronic copies of the SR-99 report and future reports. She also asked to list SR-99's commence date and end date on the report. Council Chair responded by stating a PDF of the BAC packet would be issued via email.
- Member Nishinaga requested to know the percentage of Professional Services within SR-99's overall utilization.
- Member Tavafrashti requested the Construction Package utilization report, which will be emailed, include a breakdown of the firms by Professional Services. Council Chair stated this information will be available on the report.

#### **4. Prompt Payment Presentation (Russell Fong)**

- Mr. Fong began his presentation by reading the State’s definition of Prompt Payment and continued with in depth information concerning Prompt Payment.
- Mr. Fong encouraged BAC members to utilize the Frequently Asked Questions (FAQ) document located on the state website.
- Mr. Fong referenced a chart, generated for the Audit and Finance Committee, to exhibit how the Authority has affected vendors beginning July 2011 through December 2014. The chart confirmed there were less vendors impacted as the years progressed, demonstrating Authority’s continuous effort to efficiently process invoices and pay Prime contractors promptly.
- Mr. Fong encouraged members to visit Authority’s website and review the ‘Accounts Payable Aging Report’ and ‘Contracts and Expenditure Report’ for all active contracts. The Contracts and Expenditures Report includes the Small Business utilization percentage on each Authority contract.
- Mr. Fong emphasized his areas of input:
  - Make certain Primes are paid in a rapid fashion.
  - Confirm Contract Managers are monitoring small business utilization metrics and ensure small business goals are met.
  - Assist and develop an automated method (vs. manual) to aid in a more efficient payment process.

##### ***BAC Member Questions and Concerns:***

- Member Lau commented on behalf of the Professional Service Committee, to provide an email notification or posting on the Authority’s website once a Prime had received their payment. Mr. Fong replied the Authority is working to create an automated system to improve their current method(s) to ensure this action comes to fruition.
- Member Dean inquired if Mr. Fong would be able to attend more BAC meetings. Council Chair responded that the Authority could have Mr. Fong attend 1 meeting per year.
- Member Uden suggested using an application called Survey Monkey to allow subcontractors to comment if they received their payment from the Prime, or not. Mr. Fong stated he is aware of the application and is seeking a way to validate the information, rather than receive only feedback.
- Member Lau asked if the Authority pays interest in late payments. Mr. Fong informed member Lau that the Authority does pay interest fees and that the Authority undergoes audits conducted by external auditors to ensure payments are paid in a timely manner.

#### **5. Small and Disadvantaged Business Enterprise Program Update (Alice Rodriguez)**

- Ms. Rodriguez informed BAC members that the small business team had attended at least 7 outreach events including some of the Authority’s external partners such as: LA Metro, and VTA.
- The small business team continues to work with trusted and valued partners like: Tanya Little – Business Development Appointee (DGS) and Jesse Torres – Deputy Director and Small Business Advocate of the Governor’s Office of Business and Economic Development (GoBiz).
- The small business team developed a small business workshop that will unite Authority Design-Build partners, Authority resource partners, and local transportation agencies to ensure that small business interested in collaborating with High-Speed Rail also find opportunities working on similar projects, to gain experience – preparing small businesses for High-Speed Rail. The series will kick off later this summer.

- Authority's Vendor Registry application is still under underway and will launch sometime this summer.
- The Authority will be hosting a Pre-Bid Conference for RFP HSR#15-172. The RFP will be a (3) three-year contract not-to-exceed \$28 million.
  - The estimate covers work along an approximate 113 miles from San Jose to Gilroy through the Pacheco Pass into the San Joaquin Valley to Madera.
  - The scope of work includes: drilling, trenching, laboratory and field testing, geographical surveys, hazardous materials assessment, slope stabilization and much more.
- Ms. Rodriguez explained a letter (provided in the member packet) addressed to Mr. Daniel Kim – Director of DGS, outlining the challenges the Authority faces when attempting to report the Authority's small business goal in the annual Consolidated Annual Report (CAR).

## **6. Contract Compliance Update (Austin Kidwell)**

- The Uniform Report of DBE Commitments/Awards and Payments, included in member packet, was submitted to the Federal Railroad Administration (FRA) and includes small business commitment and utilization for the reporting period of October 1, 2015 through March 31, 2016.
- Mr. Kidwell mentioned the Small Business Utilization Report, submitted to the FRA, will be due at the end of June and will be available for the next BAC meeting.

## **7. Project Updates**

### ***High-Speed Rail Program Updates (Lisa Marie Alley and Darin Kishiyama)***

- Darin Kishiyama featured a short video of the construction currently underway, concerning CP 1 and CP 2-3. The video provided detailed narrative of the construction sites. The video can be located on the Authority's YouTube channel at: <https://youtu.be/rzDMLpmni20>.
- A second video was displayed featuring Curt Lovett, small Business owner of Outback Material. The footage can also be found on the Authority's YouTube Channel at: [https://youtu.be/QoAlCTP\\_K8w](https://youtu.be/QoAlCTP_K8w).

### ***Construction Package 1 (Maurice Young)***

- The CP 1 project is continuing with the Design phase while ramping up field construction activity.
- The Authority issued a change order to extend the project approximately 2 ½ miles north. This will call for an additional 3 overpasses.
- Recent field activities include, but are not limited to the following:
  - Design Support – survey, utility investigation and geotechnical services
  - Property Acquisition related – abatement and demolition, clear and grubbing
  - Construction -
    - Multiple crews are performing utility line relocations in Fresno and Madera.
    - Fresno River Viaduct (Madera) – crews have started pouring the bridge deck on which the train will travel. Work is now underway on the south side of State Route 145 where the abutment is being constructed.
    - Tuolumne Bridge (Downtown Fresno) – demolition and reconstruction has commenced, the bridge is taking shape with visible construction of the abutment on the west side of the bridge near F Street.
    - San Joaquin Viaduct (North Fresno) – Equipment is now staged where crew members will begin clearing land in preparation for construction. The San Joaquin Viaduct is where the Pergola structure will be located.

- Fresno Trench – Work continues on the approximately 2 mile trench from south of State Route 180 to between Olive and Belmont Avenues.
- Cotton Creek (Madera) – Excavation and drilling for a 250-foot bridge is now underway. Crews are beginning to tie and install the rebar for the foundation of the four-column bridge.
- Small business utilization and participation as of May 31, 2016 are as follows:
  - Subcontractors/Consultants/Suppliers – 60 small businesses total, including 27 DBEs and 7 DVBEs
  - Vendors – 17 total small businesses including 1 DVBE
- Commitment to date metrics as of May 2016:
  - Total value to subcontractors: \$462,575,249.73 (39.7%)
  - Total value to small businesses: \$311,372,485.88 (26.72%)
  - Total value to DBEs: \$196,291,983.22 (16.85)
  - Total value of DVBEs: \$61,377,074.16 (5.27%)
- Participation opportunities with CP 1 include requests for bids or proposals anticipated for the following:
  - PGE – electrical and gas utility design and construction (TBD)
  - AT&T – Construction
  - Traffic signal and street lighting – scope of work TBD, pending design
- Challenges that CP1 are facing include:
  - Meeting the small business goals with PGE and AT&T (third party contracts).
  - Non-signatory small businesses find the Community Benefits Agreement (CBA) to be challenging.
  - The most difficult challenge to a small business on the project is certified payroll. Despite construction workshops prior to the business' commence date and one-on-one mentoring sessions, small businesses continue to make errors and/or documents are not received in a timely manner.
- TPZP expressed their intentions to remain compliant with all Prompt Payment obligations.

***BAC Member Questions and Concerns:***

- Member Lau asked what percentage of the design is completed by small businesses. Mr. Young responded that he would research this information and have the results available at the next BAC meeting in August.

***Construction Package 4 (Angela Roberson and Amanda Craft)***

- Angela introduced new Small Business Officer, Amanda Craft, to the California Rail Builders team.
- Ms. Craft will be the main point of contact for small businesses moving forward with CP 4. She can be contacted at [acraft@ferrovial.us](mailto:acraft@ferrovial.us).

## **8. Committee Updates**

### ***Professional Services Committee (Linden Nishinaga)***

- The Committee reviewed and discussed the status of their current goals:
  - The Authority adopting safe harbor rates as an option for overhead rates for newer Small Business firms. The committee requests a presentation from Paula Rivera.
  - Incentivizing prompt payment, especially to lower tier subcontractors, and having prompt payment information posted on the Authority website.
  - Adopting the 30/10/3 goal on all Authority contracts, including 3<sup>rd</sup> party agreements.
  - Separating the 30/10/3 goal so as to have it apply separately to the design and build portion of design-build contracts.

### ***Construction Committee (Diana LaCome)***

- The Construction Committee did not have an established quorum. However, the Committee reviewed and discussed the following concerns:
  - Referenced the September 15, 2011 letter from the Federal Railway Administration (FRA) addressed to Mr. Roelof Van Ark (page 10) – there is a lack of communication between the BAC and the Authority Board of Directors (BOD).
    - The Committee requests to implement a monthly reporting mechanism from the BAC to the Authority BOD.
- The Committee requests a reoccurring report on set-aside contracts and request to establish a goal to foster small businesses (Padilla organization previously provided this report).
- The Construction Committee requests for Business Advisory travel reimbursement.
- The committee requests clarification on how the BAC's current mission statement relates to the FRA letter of September 15, 2011.

## **9. Member and Public Comment and Adjournment**

- Member Lau requests to consider early work contracts for utility relocation.

## **10. Upcoming Meeting Dates**

- The next meeting will be on Thursday, August 18, 2016 from 1:00 – 3:00 PM in West Sacramento.
- Council Chair adjourned meeting at 3:12PM.