

**BUSINESS ADVISORY COUNCIL
MEETING MINUTES**

Thursday, June 20, 2013
1:00 p.m. - 3:00 p.m.
Sacramento, California

**CALIFORNIA HIGH-SPEED RAIL
Representatives:**

Thomas Fellenz, Council Chair
Robert Padilla, Small Business Advocate
Terry Marcellus, Project Management Team
Patricia Padilla, Small Business Team
Olivia Fonseca, Small Business Team
Lauren Padilla, Business Advisory Council Liaison
Eileen Ta, Small Business Team
Federal Railroad Administration
Calvin Gibson, Civil Rights Administrator

MEMBERS Present:

ABA: Johnathon Hou
ACEC: Arvin Chaudhary
AAAE: Eddy Lau
AAA/E: Linden Nishinaga
AGC: Sam Hassoun
AICCC: Adam Holt
CAACC: Scott Leslie
CABCC: Aubry Stone
CHCC: Ernie Gutierrez
DVBA: Chris Coles
ESDVOBN: Bill Ulmer
GFACC: Debbie Hunsaker
KMCA: Marvin Dean
LBA: Leonard Ortiz
LRRT: Paul Guerrero
NAACP: Betty Williams
NCA: Diana LaCome
SFAACC: Frederick Jordan
USPAACC: Clyde Wong
WCOE: Lee Cunningham

MEMBERS Absent:

CSBA: Betty Jo Toccoli
NAMC: Ingrid Merriwether
WTS: Stacey Alliguie

ALTERNATES Present:

AAAE: Winifred Au

GUESTS:

DGS: Angel Carrera
DGS: Ricardo Martinez
DGS: Danetta Jackson
DGS: Michael Aguilio

Governor's Office, Paul Martin Deputy Director

I. WELCOME AND INTRODUCTIONS

Mr. Fellenz, Council Chair, commenced the BAC meeting by asking Council members to introduce themselves and identify their associated business trade organizations. BAC meeting commenced at 1:07 p.m.

II. APPROVAL OF APRIL 18, 2013 MEETING MINUTES

Mr. Fellenz solicited input from the Council to approve the April 18, 2013 minutes. One revision was announced to include the participation of Calvin Gibson, from the Federal Railroad Authority in the April BAC Meeting Minutes.

Motion I

Motion to approve April 18, 2013 meeting minutes with one revision.

Raised by: Ms. LaCome

Seconded by: Mr. Ulmer /Ms. Hunsaker

Status: Passed

III. ADMINISTRATIVE ITEMS

Mr. Fellenz encouraged Members who have not submitted their Reaffirmation Letter to get them in, to not jeopardize their applicable Associations membership on the BAC.

IV. DEPARTMENT OF GENERAL SERVICES PROCUREMENT PROCESS PRESENTATION

Mr. Fellenz informed the BAC that Ms. LaCome requested a presentation regarding procurement processes; therefore the CHSRA requested that representatives from the Department of General Services (DGS) to attend the BAC meeting to conduct this presentation.

- a. Ricardo Martinez of DGS led the presentation
- b. Mr. Fellenz provided an overview on the purpose of the Council to Ricardo Martinez
- c. Presentation
 - i. Explanation of CMAS (California Multiple Award Schedule) was provided – prequalification certification to “piggy back” on a DGS schedule already in place:
 1. Usually lower by 38% of GSA price
 2. CMAS contracting requires that at least two CMAS offers come back for consideration.
 - ii. Approval vs. Delegation
 1. DGS has several subrecipients
 2. DGS delegates departments to purchase on behalf of departments
 3. We go out to bid and delegate to departments
 4. DGS handles award and bid, after awarded its handed back to the departments
 5. DGS has 10 days to complete this activity
 6. DGS will not dictate how to run the department’s procurements, they will help put procurements together but not tell the department how to run things
 7. State contracting manuals are updated almost on a monthly basis, because requirements are always changing
 8. These manuals help departments stay on top of things
 9. Anything over \$1 million is considered a formal procurement
 10. Non competitive is only for sole source procurements
 11. SB/DVBE option available for contracts under \$250,000
 - iii. Architectural & Engineering (A&E) contracts
 1. A&E contract are exempt from DGS oversight.
 - iv. Construction contracts
 1. DGS is heavily involved in CHSRA’s real property division for purchasing and acquisition
 - v. Right-of-Way
 1. CHSRA is looking for DGS to acquire the land and negotiate the sale at fair market value
 - vi. Small Business Goals
 1. Tanya Little of DGS clarified that a Director may establish a goal for their

- department higher than the State's 25% goal
- vii. Thresholds and Certification
1. Currently all DGS departments have a threshold of \$500,000 for CMAS
 2. This threshold will be raised for most departments to \$1 million, with an option to raise to \$5 million
 3. Policy change increase will come out in mid July of this year, although DGS has already granted 6 exemptions, so policy changes are already in the process of being applied.
 4. CMAS certification application determinations are approximately 90 days.
 5. Recommendation to reach out to minority chambers to help get small businesses CMAS certified. DGS stated there are opportunities for DGS to provide certification workshops to chamber's constituents. DGS assured the BAC that the 90 day review period would not last; DGS hopes to reach their goal of getting CMAS determinations completed in 20 days.

Please note: Copy of the DGS PowerPoint presentation available upon request.

IV. COMMITTEE UPDATES

Mr. Lau, Professional Services Committee Chair summarized the Professional Services Committee Meeting, as follows:

- Thirteen (13) attendees including Robert Padilla and Lauren Padilla were at the Professional Services Committee Meeting.
- Discussed overhead rate of federal contracting for A&E firms (FHWA); it's very costly for small businesses. The Committee has formed a task group consisting of four (4) members to do the research and come back to the Council with their findings. The intent is to assist emerging DBE's and SB's come up with a reasonable overhead rate. The Committee to provide copies of this information to the BAC via email.
- Discussed the Disparity Study rebid.
- Made a recommendation that once CP1 is awarded, CHSRA invite Tutor (specifically Ron Tutor) to attend Professional Services Committee
- Recommends an outreach event prior to advertisement of CP2
- Recommends a higher technical score then the current 70/30 ratio.
- Recommend a graded Small Business Performance Plan score, not only a pass or fail.

Mr. Hassoun, Construction Committee Chair presented goals, objectives, and requests of the Committee as follows:

- The Construction Committee's discussed three (3) of their prioritized goals.
 - Prompt payment
 - a. Requested that the CHSRA consider adopting Prompt Payment 29 CFR Part 26.29 language to protect small businesses at all tiers in regards to prompt payment and retention
 - Bonding and Insurance
 - a. Requested the CHSRA look at lessons learned from other agencies and put in place help for bonding, etc. to ensure that small and microbusinesses are provided assistance.
 - b. Requested Jon Tapping to attend a future BAC meeting to present on insurance requirements.
 - Dispute Resolution
 - a. Still working on this request but would like to form a similar type of solution as the Caltrans DRB

Please note: Any requests for action require the completion and submittal of the Official Committee Request Form to the Committee Liaison for review and processing.

V. PROJECT UPDATE

Mr. Marcellus informed the BAC that a schedule would not be disseminated during this meeting but a draft schedule would be available soon and would be posted on the CHSRA's website. Mr. Marcellus addressed key components of the project as follows:

- CP 2/3; anticipated to be released in Summer
- There will be about two months or less to evaluate or protest
- Optimistically notice to proceed is anticipated to be early fall of next year
- Wong/Harris is now under contract as the Project Construction Manager
- Right of Way Engineering and Surveying
 - a. Intention is for multiple contracts to be awarded to multiple firms
 - b. Anticipated value of five to six million spread between the contracts
- Mr. Marcellus informed the BAC that the industry forum is in place and will happen
- Mr. Lau recommends one industry forum in the north, one in the south and one in ground zero
- Target is to have construction management in place before CP2/3 contract awarded since we didn't get to do this for prior cp
- Mr. Marcellus invited everyone to NCCMAA Meeting with Brent Felker, the Project Program Manager and Scott Jarvis, the Deputy Chief Program Manager. They are both presenting on the project and project specifics.
- Notice to Proceed for Tutor is expected this Summer

VI. SMALL AND DISADVANTAGED BUSINESS ENTERPRISE PROGRAM UPDATE

Mr. Padilla presented the CHSRA Small Business Utilization Report.

Mr. Padilla reviewed the topics captured in the Monthly Small Business Newsletter and urged members to read the newsletter and share it with their constituents. Mr. Padilla shared the progress of the recent Certification Workshops.

VII. BUSINESS ADVISORY COUNCIL REQUESTS/ACTION ITEMS

Mr. Fellenz reviewed the BAC Official Request Form Matrix with the BAC:

- Requests 7, 11 and 12 remain partially open.
- Mr. Lau recommended having Committee teleconferences on meeting off months.

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X. PUBLIC COMMENT

Mr. Fellenz opened the floor for adhoc discussion and public comment, no comments were received.

Meeting adjourned at 3:12p.m.