DIVISION OF LOCAL ASSISTANCE
Procedures Development Office

PROCESS REVIEW 03-06

Bidders List

FINAL REPORT

1. Prepared By: JACQUELYN SMITH, Program DBE Coordinator — 3-7-05 Date

2. Recommend Approval: KEVIN POKRAJAC, Chief, Office of Procedures Development — 3-7-05 Date

3. Approved: TERRY L. ABBOTT, Chief, Division of Local Assistance — 3/14/05 Date

I. EXECUTIVE SUMMARY

The goal of this review was to sample and measure local agency compliance with the bidder list requirement in the Local Assistance Procedures Manual, Chapter 9, Civil Rights and Disadvantaged Business Enterprise, Section 9.4. The procedures require all local agencies receiving federal-aid funds on contracts to maintain a bidder list.

The Department of Transportation's, Divisions of Civil Rights and Local Assistance both requested Districts 1 thru 12 to conduct a mini-process review to determine if local agencies were compiling data on contractors bidding on local projects. Each district was asked to contact five local agencies (large to small in size) for the survey. The method used to conduct the survey was a survey form transmitted by the District Local Assistance Engineers (DLAEs) to a local agency within their district using a suggested letter of transmittal (Attachment 2). The suggested letter of transmittal was intended to be non-threatening and stated: "*This survey is for informational purposes only. The answers provided by the local agencies will not be used as a basis for local agencies to qualify or not qualify for any Federal and/or State funds*." All of the local agencies that received a copy of the survey form have completed and returned it to the DLAEs. Their responses were tabulated in a matrix format with the summary shown below along with a Breakdown of Survey Responses (Attachment 3). A Breakdown by Questions and Answers has also been tabulated (Attachment 4). Copies of the completed surveys have been provided to the Department's Division of Civil Rights. The originals will be filed with this process review.

The goal of this review was achieved, and based upon the findings of the survey approximately 50/58=86% of the agencies receiving federal-aid funds are in compliance. (Summary of Survey Results below)

Breakdown of Each District	**Total Number of Agencies Participated**	**Number of Agencies Who Maintain Bidders List**	**Number of Agencies with All the Required Information**	**Number of Agencies Who Used List to Determine Agency Goal**
01	5	5	2	5
02	5	4	0	3
03	5	4	2	2
04	5	4	0	1
05	4	4	2	3
06	5	5	2	4
07	5	5	5	4
08	5	4	3	2
09	4	2	2	1
10	7	6	4	3
11	5	5	4	2
12	3	2	2	2
Total	58	50	28	32

II. PROCESS REVIEW CHRONOLOGY

A. Background:

Bessie Papailias, Small Business/DVBE Program Manager, and Angel Carrera, DBE Program Manager, with the Division of Civil Rights requested that the Division of Local Assistance conduct a process review to determine if local agencies are creating and maintaining a bidder list consisting of all firms bidding on prime contracts and bidding or quoting subcontracts on DOT-assisted projects. On December 4, 2003, a memorandum was sent to all DLAEs requesting that they transmit the survey to the selected local agencies in their district to be completed and returned by December 22, 2003.

B. Process Review:

No work in the field was involved in this process review as it was accomplished with responses being returned by e-mail or fax. All surveys were completed and returned. In addition to returning the completed surveys, one local agency in each of the twelve districts was asked to submit a copy of their bidder list.

As previously mentioned, the letter of transmittal sent to the local agencies included the survey form (Attachment 2).

The survey results revealed varying degrees of compliance of the Executive Summary. As shown in the matrix tabulation, local agencies varied from being fully compliant to being totally non-compliant. Of the fifty-eight local agencies surveyed, only seven failed to maintain a bidder list.

III. PROCESS REVIEW PLAN

A. Goal of Review:

The goal of this review was to sample and measure local agency compliance with the bidder list requirement in the Local Assistance Procedures Manual, Chapter 9, Civil Rights and Disadvantaged Business Enterprise, Section 9.4. The procedures require all local agencies receiving federal-aid funds on contracts to maintain a bidder list.

B. Object of Review:

The objective of the review was to use the bidder list survey form to determine the level of compliance in each of the sixty local agencies surveyed in the twelve Caltrans districts. The local agencies (five in each district) were believed to be a cross section of all local agencies in California ranging in size from large to small.

C. Background:

No formal Process Review Plan was prepared. It was determined at the beginning that it would not be necessary to prepare a formal Process Review Plan as the December 4, 2003 memorandum to DLAEs was deemed to be sufficient for that purpose.

D. Method & Responsibilities:

The methods of the review consisted of:

1. A memorandum dated December 4, 2003 transmitted to all DLAEs.
2. The completed surveys returned to the DLAEs.
3. Analysis of the completed surveys.
4. Preparation of a matrix tabulation with survey results.

E. Review Team

Jacquelyn Smith, DBE Program Coordinator, Division of Local Assistance
Sue Clarke, Senior Engineer, Division of Local Assistance
Eugene Shy, Process Review Engineer, Division of Local Assistance

F. Review Schedule

Planning for this process review began in November, 2003. A memorandum dated December 4, 2003 was sent to all DLAEs. The local agencies were requested to complete and return the survey forms to the DLAEs by December 22, 2003. The last of the survey forms were received at Headquarters in early January, 2004. There was no impact due to the delay in receiving the completed surveys.

IV. FINDINGS, OBSERVATIONS, AND RECOMMENDATIONS

Findings:

Not all of the local agencies surveyed are collecting the bidder information required by the Local Assistance Procedures Manual, Civil Rights and Disadvantaged Business Enterprise, Section 9.4. The local agency responses, questions and answers to the survey have been tabulated as mentioned in the Executive Summary. (Attachments 3 and 4)

Observations:

As indicated by the responses of the fifty-eight local agencies that were sampled and the responses tabulated, fifty agencies maintained a bidders list, one agency had a partial list, and seven agencies did not have a list at all.

Out of the fifty agencies that maintained a bidder list, thirty-two had all the required information (firm name, address, status, age of firm, and annual gross of firm), nine agencies only included name address and status of the firm and one agency list included names, address and RE Vendor.

Eight agencies in the survey that were not in compliance include:

Location	**Eight Agencies in Survey**	**Total Number of Cities/Counties not in Compliance**
District 2	County	(1)
District 3	City	(1)
District 4	City	(1)
District 8	City	(1)
District 9	County	(2)
District 10	County	(1)
District 12	City	(1)

Recommendations:

Since the purpose of this Bidder List Survey was to measure the compliance of local agencies in the State of California, it would not be appropriate nor would it be the Department intent to enact sanctions or take other punitive actions against those local agencies found in non-compliance.

However, it would be appropriate to alert the local agencies in California by letter that non-compliance with the Local Assistance Procedures Manual, Chapter 9, Civil Rights and Disadvantaged Business Enterprise, Section 9.4 may jeopardize their eligibility for Federal–aid funds at some future date.

V. PROCESS REVIEW CONCLUSIONS

The goal of this review was achieved, and based upon the findings of the survey, approximately 86% of the agencies receiving federal-aid funds are in compliance. It is obvious that some work still needs to be done to educate local agencies receiving federal-aid funds to ensure full compliance within the State of California.

Attachments

1. December 4, 2003 Memorandum
2. Sample Survey Form
3. Breakdown of Survey Responses by Districts
4. Breakdown of Survey by Questions and Answers

ATTACHMENT #1

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

To: DISTRICT LOCAL ASSISTANCE ENGINEERS
DISTRICT DBE COORDINATORS
DISTRICTS 01-12

Date: December 4, 2003

File: BIDDER'S LIST

From: TERRY L. ABBOTT
Chief
DIVISION OF LOCAL ASSISTANCE – MS1

Subject: Bidders List Process Review #03-03

The Department of Transportation, Division of Civil Rights has requested the Division of Local Assistance to conduct a mini-process review regarding the bidder list. The Local Assistance Procedures Manual, Civil Rights and Disadvantaged Business Enterprise, Section 9.4 requires local agencies to create and maintain a bidders list, consisting of all firms bidding on prime contracts and bidding or quoting subcontracts on DOT-assisted projects.

Please contact five of your local agencies, large to small to complete the attached survey. Also, each district is to provide a copy of an actual bidder list from one of the local agencies contacted.

Once this information is complete, please e-mail or fax 8-461-2409 to HQ no later than Monday, December 22, 2003.

Your cooperation in assisting with this mini-process review is greatly appreciated. If you have any questions, please contact Jackie Smith at (916) 651-6548 or CALNET 8-461-6548.

c: Bessie Papailias, Civil Rights
Angel Carrera, Civil Rights

bc: KProkrajac
JSmith
SClarke
GShy
PCarroll
Office Chiefs
DLA Area Engineers
DLA Files

ATTACHMENT #2

Submitted by: District _____
Name _____

BIDDERS LIST SURVEY

Local Assistance Procedures Manual, Chapter 9, Civil Rights and Disadvantaged Business Enterprise Section 9.4 requires each bidder list to include:

- ☐ Firm name
- ☐ Firm address
- ☐ Firm's status as a DBE or non-DBE
- ☐ Age of the firm
- ☐ Annual gross receipts of the firm

Name of Local Agency _____
Address _____
_____

1. Does your local agency maintain a bidder list, which is required by the Local Assistance Procedures Manual?

Yes No

2. Does your bidder list consist of all of the above information?

Yes No

3. Did you use the bidder list to come up with your goal?

Yes No

If no, what method was used in calculating your goal?
Please explain _____
_____

4. Name, title, and telephone number of employee currently designated to handle all DBE issues.

Name _____ Tel. No. _____
Title _____

ATTACHMENT #3

BREAKDOWN OF SURVEY RESPONSES BY DISTRICTS

Caltrans District	Local Agency	Does your Agency Maintain a Bidder List as Required by the Local Assistance Procedures Manual?	Does your Bidder List Consist of All of the Required Information? (Firm name, address, status, age of firm, annual gross of firm)	Was the Bidder List Used to Come Up with the Agency Goal?
1	County	Yes	No	Yes
	County	Yes	Yes	Yes
	County	Yes	No (Does not include age of firm or annual gross)	Yes
	City	Yes	No	Yes
	County	Yes	Yes	Yes
2	City	Yes	No	Yes
	County	Yes	No	Yes
	County	Yes	No (Can not obtain or find annual gross for each bidder)	Yes
	City	Yes	No (Age of firm and gross are not maintained)	No (Caltrans directory of certified firms within city market for numerator and US Census for denominator)
	County	No	No	No (Goal is derived by comparing number of certified DBE contractors in County against the number of qualified highway and bridge contractors with County)
3	City	No	No	No (Number of DBE's divided into total in area by zip code or industry willing)
	County	Yes	No (Bidders list currently include 7,758 firms / The RE Vendor bidder list does not include age of firm & annual gross)	Yes
	City	Yes	Yes	Yes

Caltrans District	Local Agency	Does your Agency Maintain a Bidder List as Required by the Local Assistance Procedures Manual?	Does your Bidder List Consist of All of the Required Information? (Firm name, address, status, age of firm, annual gross of firm)	Was the Bidder List Used to Come Up with the Agency Goal?
	County	Yes	No	No (County DBE goal was determined by using DBE directories & census bureau data)
	County	Yes	Yes	No (Setting goal was determined by using Caltrans DBE directory within market area for Numerator / Denominator was determined by NAICS, US Census,)
4	City	Yes	No	No (UCP, NAICS / CBP)
	City	Yes	No (Age & Annual gross receipt)	No (UCP, NAICS / CBP)
	City	No (Only Partial)	No	No (UCP, 1997 NAICS / CBP)
	City	Yes (Total two contractors for last year)	No	No (UCP, 1997 NAICS / CBP)
	City	Yes	No	Yes
5	City	Yes	No (Age of firm, annual gross)	Yes
	County	Yes	Yes	No (Used step 2 methodology based on previous years of goal figures
	City	Yes	No	Yes
	County	Yes	Yes	Yes
6	City	Yes	No (Age of firm, annual gross)	Yes
	County	Yes	Yes	No
	City	Yes	No	Yes
	City	Yes	Yes	Yes
	City	Yes	No (Age & gross receipts were not collected until this year)	Yes

Caltrans District	Local Agency	Does your Agency Maintain a Bidder List as Required by the Local Assistance Procedures Manual?	Does Your Bidders List Consist of All of the Required Information? (Firm name, address, status, age of firm, annual gross of firm)	Was the Bidder List Used to Come Up with the Agency Goal?
7	City	Yes	Yes	Yes
	County	Yes	Yes	No (Base figure was calculated by % of federal funds in work category from DBE directory divided by businesses in work category from CBP data)
	City	Yes	Yes	Yes
	County	Yes	Yes	Yes
	City	Yes	Yes	Yes
8	City	Yes	Yes	Yes
	City	No	No	No
	City	Yes	Yes	No (Reviewed Census Bureau, Caltrans Query, contracting activities & DBE participation)
	County	Yes	Yes	No
	County	Yes	No (Do not require firms to provide age & annual gross)	Yes
9	County	No	No	(No Response)
	County	Yes	Yes	No County has not developed a DBE Goal yet. However the bidders list will be used to develop the goal
	County	No	No	No (Use of Caltrans approved DBE certified list for County construction, professional services & other firms)
	City	Yes	Yes	Yes

Caltrans District	Local Agency	Does your Agency Maintain a Bidder List as Required by the Local Assistance Procedures Manual?	Does Your Bidders List Consist of All of the Required Information? (Firm name, address, status, age of firm, annual gross of firm)	Was the Bidder List Used to Come Up with the Agency Goal?
10	County	Yes	No	Yes
	City	Yes	Yes	No (Used Caltrans DBE directory of Certified Firms & CBP database)
	City	Yes	Yes	No (Used Caltrans & US Census databases for market area)
	City	Yes	Yes	No (Use of Caltrans DBE directory within market area)
	City	Yes	Yes	Yes
	City	Yes	No	Yes
	County	No	No	No (Used UCP, sort by local area, CBP database, & 97-2000 DBE participation for FHWA projects)
11	County	Yes	Yes	Yes
	City	Yes	No	No (Step 1 – to determine a base figure of DBEs ready, willing & able. Step 2 – determine an up or down adjustment)
	City	Yes	Yes	No (Bidder list is so small decided to do all DBE / Non-DBE firm available)
	City	Yes	Yes	No
	County	Yes	Yes	Yes
12	City	Yes	Yes	Yes
	City	Yes	Yes	Yes
	City	No	No	No (Method in the Caltrans pre-approved Model DBE program)

ATTACHMENT #4

BREAKDOWN OF SURVEY
BY QUESTIONS AND ANSWERS

- Total number of Agencies who participated in the survey was 58.

Question #1 – Does your Agency maintain a bidder list as required by the Local Assistance Procedures Manual?

Answer:

- Yes, 50 Agencies maintained a bidder list as required.

  No, 7 agencies offered no explanations

  No, 1 agency maintains a partial bidder list.

Question #2 – Does your bidder list consist of all the required information? (Name of firm, address, status, age of firm, and annual gross of firm).

Answer:

- Yes, 28 agencies with bidder list consist of all the required information (firm name, address, status, and age of firm, annual gross of firm).

  No, 20 agencies offered no explanation.

  No, 9 agencies did not obtain the age of firm and/or annual gross.

  No, 1 agency list included 7,758 names, address, and RE vendors.

Question #3 – Was the bidder list used to come up with agency goal?

Answer:

- Yes, 32 agencies used the bidder list to come up with their agency goal.

  No, one agency used directory of certified firms for the numerator and the US Census for the denominator

  No, one agency compared number of certified DBE contractors to number of qualified highway and bridge contractors.

  No, one agency took the number of DBE divided into total area willing to work by zip code.

ATTACHMENT #4 (Continued)

No, one agency used step 2 methodology based upon the previous year's goal figures.

No, one agency calculated base figure by percentage of federal funds in work category from DBE directory divided by business work category in CBP.

No, one agency used base figure of ready, willing & able to work for step 1 and made the determination to adjust up or down for step 2.

No, one agency list was small so the agency used all DBE/non-DBE firms available.

No, one agency used the method in Caltrans pre-approved Model DBE Plan.

No, one agency hadn't developed a goal, but will use list to develop future goal.

No, one agency based the goal on projects that went out to bid.

No, three agencies offered no explanation.

No, 12 agencies used UCP, NAICS, and CBP.