



California Department of General Services (DGS)

SB/DVBE Advocate Workshop Meeting Minutes

Date: Tuesday, April 23, 2019

Time: 1:30 P.M - 4:00 P.M.

Location: Department of Consumer Affairs
1747 N. Market Blvd, #186
Sacramento, CA 95834

Meeting Facilitator: Michael Aguilio & Nina A. Martinez

Recorder: Shaironda Morris & Nina A. Martinez

CALVET – Elizabeth M. Perez, Deputy Secretary (Minority & Underrepresented Veterans/CA DVBE State Advocate)

Elizabeth M. Perez

- 9 years Navy Career
- 10 years business experience
- 22 years federal and state government contracting experience

New CalVet Staff

- Joanna Domingo, AGPA, Minority Veterans Division
- Jose Ayon, DVBE Program Manager, Minority Veterans Division
- Goals/Comments
- Elizabeth wants to connect with state agency SB/DVBE Advocates to understand the challenges agencies are having working with the DVBE community – Two week turn-around
- CalVet DVBE/SB Central California Expo – CalVet is committed to gaining the support and trust within the veteran community by showing that there is indeed contracting opportunities with California. In order to stand by that commitment, CalVet is asking for your support to attend the first “CalVet DVBE/SB Central California Expo” at Vision View Business Center in on Wednesday, May 22nd, 2019 in Fresno. Set-up time is from 7:00 am - 8:30 am and the event is from 8:45 am – 4:00 p.m. Invitations will be sent out in a couple days.
- DVBE Audit Survey (Survey Monkey) – Will be sent out to within a week to SB/DVBE Advocates
- Important to connect the dots on how regulations impact veterans
- Requesting SB/DVBE Advocates to provide a list of their contracting and purchasing staff

GO-BIZ – Janelle Green, SB Specialist

New Director of the Office of Small Business Advocate

- Isabel Guzman - Co-founder and Director of Gov Contract Pros, LLC since 2018. She was an independent consultant to the US SBA 2014-2017.
- Janelle's last date is May 6th
- Michelle Nguyen, SB Program Analyst is acting in Janelle's position. She can be contacted at michelle.nguyen@gobiz.ca.gov

California Small Business Month in May

It is encouraged to send out the Capital Region SB link to interested parties needed financial and/or technical assistance programs/training and consulting services. The link is <http://www.capitalregionssmallbusinessweek.org/>

FY 18/19 Grant Program Administration

- Small Business Technical Assistance Expansion Program (SB TAEP)
- Capital Infusion Program (CIP)
- Small Business Technical Assistance Program (SB TAP)
 - Launching Grantee Portal for grant invoicing and reporting
 - Working on 19/20 CIP and TAEP Program Announcements

Department of General Services Legislation Update – Robert Cosgrove, Legislative Consultant

AB 230 Assembly Member Brough

This bill would require a prime contractor utilizing a DVBE subcontractor to provide proof of payment to the contracting department upon completion of the contract. An awarding department then would be required to review the documentation received for accuracy and completeness. If the amount paid does not reflect the DVBE participation committed to in the contract, the awarding department must notify DGS so that the payment information can be reflected in the Consolidated Annual Report; and prohibit the substitution of a DVBE subcontractor unless the conditions for the substitution have been verified by DGS with the subcontractor included in the original bid.

AB 1365 Assembly Member Veteran Affairs Committee

This bill would require a department to maintain all records of the information provided by a prime contractor under the Disabled Veteran Business Enterprise (DVBE) Program for a minimum of six years; to establish appropriate review procedures for those records; and to directly inform a DVBE when it has been identified as a subcontractor in an awarded contract.

AB 1632 Assembly Member Boerner Horvath

Currently, this is a “spot bill”. Make sure to monitor this bill if/when actual language is introduced

AB 1808 Committee on Jobs, Economic Development, and the Economy
(Assembly Members Cervantes (Chair), Cunningham (Vice Chair), Chau, Chen, Ramos, Luz Rivas, and Smith)

This bill would establish a 25% SB goal; require state entities that fail to meet SB goal to submit and improvement plan to DGS within 45 days of close of fiscal year; require DGS to monitor progress of state entities in meeting goal; Expand the duties of the Small Business Advocate to include collaboration with the Department of Veterans Affairs’ Small Business Advocate makes clarifying changes to distinguish between the state's SB Advocate, the SB advocates at department level, and SB liaisons at the department level.

AB 1809 Committee on Jobs, Economic Development, and the Economy
(Assembly Members Cervantes (Chair), Cunningham (Vice Chair), Chau, Chen, Ramos, Luz Rivas, and Smith)

This bill would prohibit a SB or DVBE from receiving a preference or incentive as part of the streamlined procurement method (when an agency doesn't use full competitive bid) for contracts between \$5k and \$250k; require departments awarding contracts to post on their website specified info submitted by prime contractors; and require CalVet to maintain specified records of promotional efforts for DVBE program.

SB 588 Senator Archuleta

This bill would require an awarding department to give a prime contractor that fails to comply with specified certification requirements reasonable opportunity to comply with those requirements, and requires the Department of General Services (DGS) to suspend a prime contractor that fails to comply from bidding on a state contract.

DVBE Audit – Anda G. Draghici, DGS, Office Division of OSDS Manager & Brooke Droege, DGS, Office Division of OSDS Manager

DVBE Audit/Program 2013 & 2018

- This will be a permanent agenda item
- DGS will tackle the issue re-DVBE program documents concluded in federal recommendations 60-day response to recommendations.

New DGS Analyst

Daniel Rosinsky-Larsson contact information is Daniel.RosinskyLarsson@dgs.ca.gov or (916) 443-9544

DVBE Audit Survey Questions

- Daniel will send out the survey and request to obtain input from state agencies
- The responses will be used to identify areas where DGS can assist departments in procuring from DVBEs, as well as shaping our outreach and training for existing and new DVBEs
- Assessing DVBE contracting practices within departments to ensure outreach successful.
- Advocates should take this question and discuss with their department management and buyers. Identify challenges DGs to work on solving. Identifying contracting best practices, streamline contracting process, and insight causes for barriers and address systematically more unified UNSPC codes.

Brook would like to discuss further in subsequent advocate meetings

New DGS Fliers (Forthcoming awaiting for ADA compliance)

- SB/DVBE Option
- SB/DVBE First Policy

Contracting Activity Reporting – Anda Draghici, DGS, Division of OSDS Manager

Contracting Activity Report, Form 810

- FAQ session prior to August 1, 2019 CAR due date
- CAR PO Reporter Role must be established to run reports in Fi\$Cal
- PCC10111- Statue fills all requirements to comply with the reports
- New Form 810 was moved to production in Fi\$CAL validation reports accessible to abstract what, when and how reported. The form will be ready in a few weeks.
- Training for SCPRS manual data and Fi\$CAL users is scheduled April 24 & 25, 2019
- Training for all Users is scheduled on May 3 & May 8, 2019
- All multi-years contracts are captured up front at time of award. If your Agency is reporting contract dollars by fiscal year, please individually discuss this with Anda on how to capture the remaining dollars that Fi\$Cal will not report automatically.
- SCPRS one-page data entry going to explain more at the May 3 and May 8, 2019 training sessions. A certification and SB/DVBE goals by types cheat sheet to utilize. SB/DVBE subcontracting page important page of the CAR report.
- Form 810 populated completely when transacting in Fi\$Cal. Four boxes near the bottom of the STD 810 report will be added to those reporting manually number of transactions will be automatically calculated for those transacting in Fi\$Cal.
- July 12, 2019 - OSDS conducts CAR FAQ session/user lab
- August 2, 2019 - OSDS runs and saves all reports who report in Fi\$Cal. Agencies should run their own final report and save copies. No reporting extensions past mid-October. OSDS must have time to gather and analyze data on state level. There is a process to revise reports which she will discuss more

in training. Cover letters are still required but DO NOT use the cover letter in Fi\$Cal. It is not working efficiently. You may contact Anda for further questions.

- CAR Extensions will be granted case-by-case. You must request prior to August 1, 2019 and no later than October 1, 2019
- OSDS CAR Report Coordinator Position – DGS is looking to hire. This position has been vacant awhile.
- Certified firms not showing up on subcontracting page should be reported to Fi\$Cal and cc OSDSReports@dgs.ca.gov
 - Multiple departments effected by this error - DGS OSDS coming up with solution
- Changes made to the Form 810:
 - Four entry boxes at the bottom of the page
 - # of SB Firms Awarded
 - # of SB Firms Awarded – Sub
 - # Awards By SB Certification ID – Prime
 - # Awards by SB Certifications
 - And ADA Compliance

DVBE and SB/MB Option & DVBE Incentive Report (Omitted in the presentation), Form 810S

- DGS made changes based on the DVBE Audit 2018
 - The report now has three parts, separating SB and DVBE Option.
 - The form will be will be available in a few weeks

Infrastructure Bond Activity Report , Form 810A

- 25 percent SB participation goal in all contracts financed with the proceeds of the infrastructure related bond acts of 2006
- Improvement Plan is required if not met the SB participation goal
- If you still have bond money you are required to report.
- No changes to reporting or form

Consulting Services Report, Form 810C

- Consulting Services contract means services that do all the following:
 - Consulting Services Contracts are those that are defined for services of an advisory nature
 - Transmittal of information in either written or verbal form
 - Answers to questions, the design of systems or plans, workshops, seminars, retreats or conferences
- All Consulting Services Contracts must be reported unless excluded
- SCPRS is capturing data
- No changes to reporting or form

Ethnicity, Race, Gender, Sexual Orientation, (ERGSO), Form 810E

- Form 810E ERGSO Report – ERGSO reports submitted to agencies can be entered into FI\$Cal. Step by step instructions to run the report will be provided at training sessions
 - The form cannot be linked with the contract agreement
 - DGS recognizes that very few ERGSO reports are submitted
- No changes to reporting or form i

Cover Letter

You must include a cover letter with your CAR Report only for the following:

- For paper submittal, always submit to OSDS
- For FI\$Cal departments submit to OSDS only if:
 - Reporting for multiple Business Units (BU)
 - Submitting an Improvement Plan because your department did not meet one of both goals
 - If you need to make revisions to your report

If you are required to submit a cover letter, it must include the following:

- If multiple BUs, specify what BUs are included in the report
- An analysis of trends and any anomalies in the SB/MB or DVBE participation
- Review of progress on all prior year Improvement Plan items enacted and their effect on current participation goals.

Hyperlink to CAR: [Consolidated Annual Report Forms and Instructions](#)

Important Reporting Deadlines

- May 3 OSDS conducts CAR training for all departments
- May 8 OSDS conducts CAR training for all departments-
- June 1 - 30 OSDS sends reminders about upcoming reporting
- July 12 OSDS conducts CAR FAQ session/user lab
- July 1 - 31 BUs run their draft reports, verify against queries/own records
- July 31 Last day to request extension from OSDS
- **August 1 CAR Report DUE DATE**
- August 2 OSDS runs and saves all reports, except extensions
- August 2 BUs run their own final reports and **SAVE FOR THEIR RECORDS**
- After last day of all extensions - OSDS to run the statewide report
- Next day following extension - BU to run their own report

P-Card Summary

- P-Card Data – SCPRS now has a P-Card FY Summary Entry Page

SB/DVBE Subcontracting Information

- SB/DVBE Subcontracting Page (SCPRS)
 - Dual purpose in SCPRS is to verify certification at award time
 - Provides percent for SB/DVBE participation calculations
 - Prime contractor information is pre-populated
 - SB/DVBE Prime Contractor's participation counted as 100 percent as long as contractor is certified

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DVBE Exemption List and New DVBE Exemption Form

- Effective January 1, 2019, the DVBE Exemption List (previously on the DGS Website) has been abolished.
- Regulations adopted on January 2019.
- A justification must be tied to specific conditions of contracts and must be approved by highest official in your department.
- New DVBE Exemption Form – DGS has a draft DVBE Exemption Form which departments' can modify or use their own form.

New Small Business-Public Works (SB-PW) Category

Comments/Discussions

- No new category on the Contracting Activity Report, Form 810 reporting. It will be folded into the SB participation reporting.
- Any SB can apply but must meet eligibility
- Each department shall decide what is not PWs
- SB-PW requirements will be incorporated into the SB brochure (In development now)
- This new category will expand the pool of SBs
- Signed by the Governor on October 11, 2017
- Effective January 1, 2019
- Increases the 3-year average gross annual receipts (GAR) eligibility thresholds for Public Works Contracts to:
 - \$36 million Gross Annual Receipts (GARs) for SB-PW
 - \$15 million for SB
 - \$5 million for MB

- Increases employee count from 100 to 200
- January 1, 2019, paper and on-line application available
- January 2019, public search implementation in FI\$Cal
- Both SB and SB-PW count toward SB goal on Public Works.

Hyperlink to Certifications: [SB/DVBE Certification Information](#)

DVBE Substitution – Carl Josephson, Compliance and Quality Assurance Manager, Office of SB/DVBE Services

Legislative Intent

- Intended to prevent post award bid shopping by contractors and post award bid peddling by subcontractors.
 - Bid Shopping is the use of one subcontractor's bid as leverage to pressure other subcontractors to perform work at a lower cost
 - Bid Peddling occurs when one subcontractor undercuts a known bid made by another subcontractor.

Citation: *Thompson Pacific Const., Inc. v. City of Sunnyvale* (6th Dist. 2007) 155 Cal.App.4th 525.

Office of Administrative Hearing, compliance reviews, internal quality insurance and training support, and approve/deny DVBE substitutions request. SB substitution completed at agency level DVBE substitution – OSDS approval required. Department must document unsatisfactory data. CUF – work on contract don't pay the entire contract amount if violation of program requirements exists. Intended to prevent post award bid shopping by contractors and post award bid peddling by subcontractors.

Program Abuse Training

Program Abuse Training is scheduled on April 30, 2019. You will learn what is abuse and how to identify abuse, know how to report program abuse what is the SB/DVBE advocate function and how reports handled. Based on the DVBE audit 4/16 didn't know they were listed as a Subcontractor. Up to departments to establish hearing notice and subcontractor opposes subcontractor substitution. Department grants substitution must be sent/approved by OSDS. The DVBE substitution form is on DGS website.

Program Abuse Complaint Form

DGS developing compliant form under development. Legal office has 30 days and total of 45 days for final discussion. State advocates should be involved. For example, if Subcontractor never signed prime contract. However, once contract approved process must be followed

Vendor Highlight – Tank Visions, Inc. - Ken Bishop, Representative

Tank Visions, Inc is a SB/MB (#2010214) has 2200 active fuel tanks and they manage the tanks for core competence. This company keeps agencies in compliance with CA codes and regulations. They upload inventory manually and the cost is \$15 per site per month 24 hours levels and compliance and paperwork can be electronically provided. The company makes the refill decisions takes the inaccurate speculation out of the equation. Tank vision company maximizes gallons on truck, track, manage and audit invoices. The pricing structure is known by the vendor and will intercept alarm calls by going out and processing documents to prevent leaks monitor calls to reduce agency costs. They have proactive inventory decisions part of emergency and compliance proactive start process 90 days ahead

Department Highlight – Department of Parks and Recreation – Michele Sakamoto, SB/DVBE Advocate

The Department of Parks and Recreation provides; health, inspiration and education to the people of California; protect the natural, cultural resources and create opportunities for outdoor recreation; serve all of California with 280 state parks units; 340 miles of coastline; 970 miles of lake and river frontage, 15,000 campsites and 4,500 miles of trails; rebuild Southern CA after Woolsey Fire & Northern CA after Camp Fire and new Resource Department building with estimated completion date of 2021.

The Parks and Rec procures the following but not limited to: refuse removal services; Alarm monitoring services, IT services, portable chemical toilet services; water testing, Consulting services, security services, video services, and copier maintenance & repair.

Unique Procurement: Yoga Services, Wild Pig Removal, Translation Services, Bus Services, Goat Gracing, Vaccinations, Provide Gas, Helping Cal Fire with burning.

Upcoming Events – Tracy Bown, CHP, SB/DVBE Advocate

- Keeping the Promise 2019 – May 9-10, 2019 (Temecula)
- Buildit GovCon 2019 – May 10, 2019 (Norco)
- CA Capital PTAC – May 16, 2019 (Sacramento)
- Connecting Point - May 22, 2019 (Sacramento)
- Central CA Veterans SB Expo – May 22, 2019 (Fresno)
- 2019 Norcal Procurement Expo - May 31, 2019 (San Ramon)
- Wine Not SB and DVBE Summit - June 21, 2019 (Lincoln)

Attendee List (attended in person)

Department	Name	Email
Department of Transportation (Caltrans)	Amanda Himes	amanda.himes@dot.ca.gov
Dept. Consumer Affairs	Andrea Pina	andrea.pina@dca.ca.gov

Department	Name	Email
Dept. of Justice	Anson Gip	anson.gip@doj.ca.gov
Sacramento-San Joaquin Delta Conservancy	Brenda Lusk	brenda.lusk@deltaconservancy.ca.gov
Public Employment Relations Board, California	Della Braaten	dbraaten@perb.ca.gov
Dept. of Food and Agriculture	Donna Weber	donna.weber@cdfa.ca.gov
Dept. of Veterans Affairs	Elizabeth Perez	elizabeth.perez@calvet.ca.gov
First 5 California Children and Families Commission	Joan Dutra	jddutra@ccfc.ca.gov
CA Lottery Commission	Kenneth Macasaet	kmacasaet@calottery.com
CA State University	Kim Holmberg	kholmberg@csus.edu
Dept. of General Services	Lauren Sharon	lauren.sharon@dgs.ca.gov
Department of (Caltrans) Transportation	Marta Carrera	marta.carrera@dot.ca.gov
Dept. of Parks & Recreation	Michele Sakamoto	Michele.Sakamoto@parks.ca.gov
Corrections & Rehabilitation, Dept. of Military Department.	Nina Martinez	nina.martinez@cdcr.ca.gov
Department of (Caltrans) Transportation	Sandy Villalobos	sandra.villalobos3.nfg@mail.mil
CA Highway Patrol.	Stacie Gandy	stacie.gandy@dot.ca.gov
State Controller Office	Tracy Bowen	Tbowen@chp.ca.gov
California Department of Education	Jen Johnson	jjohnson@sco.ca.gov
Fiscal	Jessica Spenser	jspencer@cde.ca.gov
Department of General Services	Susan Sudmann	Susan.sudmann@fiscal.ca.gov
Military Department	Cleta Gibcumb	Cleat.gidcumb@dgs.ca.gov
Calvet	Blakely Nordman	Blakely.s.nordman.nfg@mail.mil
Office of legal Council	Jose Ayon	Jose.ayon@calvet.ca.gov
Department of General Services	Nancy Pabst	Nancy.pabst@olc.ca.gov
GoBiz	Anda Draghici	Anda.drachici@dgs.ca.gov
Department of General Services	Jennifer Henneke	Jennifer.henneke@gobiz.ca.gov
	Darvin Manuel	Darvin.manuel@dgs.ca.gov

Additional 61 people attended online (list is unavailable due to software limitation)

Powerpoint

- PowerPoint presentation is available upon request at Advocate@dgs.ca.gov

Next SB Advocate Workshop Date

- June 4, 2019

Meeting Adjourned

Nina A. Martinez, CDCR at approximately 4:10 pm.