



California Department of General Services (DGS)

Small Business Advisory Council (SBAC) Meeting Minutes

Date: December 8, 2021

Time: 1 – 4 p.m.

Location: Zoom

Meeting Facilitator: Angela Shell, DGS SBAC Co-Chair

Recorder: Matt Zweier, OSDS Business Outreach Manager

The regular quarterly meeting of the DGS SBAC was called to order by Co-Chair Angela Shell at 1:04 p.m. Attendance was taken; a quorum was present.

Agenda Update

Angela motioned an agenda change, adding a speaker from DGS Enterprise Technology Solutions (ETS) to present updates to statewide telework and potential contract opportunities for certified firms. Lori Kammerer motioned to approve the revised agenda and Shaila Rao Mistry seconded the motion. No one opposed the revised agenda and the motion carried. The meeting proceeded with the revised agenda.

Meeting Minutes and Past Action Items

A motion was made by Julian Canete and seconded by Don Stoneham to approve the September 8, 2021 meeting minutes. The motion passed without objection or abstention.

Leslie Fritz, OSDS Business Outreach Liaison reviewed the status of past action items:

1. SBAC members interested in being part of the California Office of Digital Innovation's (ODI) report on small business participation in state contracting will state their interest to OSDS and complete the survey. (Status: Completed)
2. DGS will share the links Roberto Herrera from CalVet provided in their presentation on veteran suicide data. (Status: Completed)
3. DGS will share links to CalOSBA (California Office of the Small Business Advocate) and GO-Biz information provided by Tara Gray. (Status: Completed)
4. DGS will continue to include Carl Josephson, SB/DVBE Program Compliance Manager, in the invitation to CUF Committee meetings. (Status: Completed)
5. The Processes Committee will provide Matt Zweier, SB/DVBE Outreach Manager, specific detailed topics they want presented on and topic specific questions they have. The committee should specify this information in their requests for committee meeting

presentations from subject matter experts on MSA, CMAS, prompt payment, the 80 percent rule and other subjects. (Status: Completed)

6. DGS will send the SBAC members the link to the UC System's new Small Business First Program web page. (Status: Completed)
7. DGS will send the SBAC members the link to CalSAT. (Status: Completed)
8. When available, DGS will provide SBAC members the link to the SB/DVBE Emergency Registry. (Status: Completed)

Carry Forward Item:

1. The Committee SharePoint site – The site has been setup on MS Teams. DGS will input member emails in January to give members access.

Angela Shell, DGS Updates:

Angela Shell, Deputy Director, Procurement Division and DGS SBAC Co-Chair provided an update on DGS.

Updates/Reminders:

- Danetta Jackson accepted a promotion as the new Supplier Diversity Program Manager in the DGS Procurement Division. Danetta will work within DGS and with other state departments to support diversity, equity, and inclusion through state procurement. Danetta is formerly the Business Outreach Program Manager. The Council congratulated and welcomed Danetta to her new role.
- DGS and the Procurement Division (PD) are each finalizing their two-year strategic plans, which will be reported on yearly. PD will focus on procurement, real estate and sustainability. These plans include making procurement processes more efficient and inclusive of Small Businesses (SBs), increasing diversity in the supplier pool, sustainable purchasing initiatives, best value procurement, enhancing the SB/DVBE Advocate role, and creating more comprehensive training with GO-Biz and the California SBDCs.
- Recent changes through the passage of [AB 1574](#) brings changes including a directive to all state departments to include small businesses and microbusiness with little or no state procurement experience in procurements and updates the Target Area Contract Preference Act (TACPA). DGS will send a communication about the TACPA.
- DGS continues to update the SB and DVBE regulations to strengthen the DVBE program requirements and hopes to complete the proposed updates in Quarter 1 of 2022, ideally before the March 9, 2022 SBAC Strategic Planning Meeting. Public comment is expected to start in April 2022..
- The 2022 dates for the SBAC quarterly meetings are March 9, June 8, September 7, and December 7. The next meeting on March 9 will be the strategic planning meeting where the SBAC will set its two-year strategic goals and establish the committees for that period. SBAC members and committee chairs need to consider their priorities and goals

for the next two years. Committee chairs are asked to report committee accomplishments at the March 9, 2022 meeting. While the current plan was to hold the meeting in person, the Governor's extension of the [Bailey-Keene Open Meeting Act](#) to March and recent developments makes it more feasible to hold the meeting virtually.

CalVet Update:

Roberto Herrera, Assistant Deputy Director, Veterans Services Division, Department of Veterans Affairs, (Roberto.Herrera@Calvet.ca.gov) provided the following updates:

- There are currently 1907 DVBEs in the database with 96 new firms since August. CalVet continues to conduct outreach to engage new businesses. Their [DVBE Request for Response Survey](#) allows the DVBE community and other interested stakeholders to request information about and give feedback on the CalVet DVBE program. CalVet also wants to gather feedback to help with changes in the advocate program due to [AB 1574](#), which would implement accountability measures related to DVBE subcontracting. The survey has received 169 responses since it began. Roberto invites the SBAC members to submit their feedback through the survey.
- CalVet's DVBE Advisory Council has a new member, Keli Benham-Anthis, Director of the Southern California Veteran Business Outreach Center (VBOC), which is run by the Small Business Administration (SBA). VBOC also has a northern branch run by Humboldt State. VBOC representatives are regular members on the DVBE Advisory Council as they are primarily the federal government's arm in California to enact their "Boots to Business" efforts.
- CalVet recently provided veteran cultural competence training to the SB/DVBE advocates and DGS Outreach staff. CalVet welcomes feedback on the training program, particularly from veterans. The training module can be accessed at: <https://www.calvet.ca.gov/VetServices/Pages/Module-4-Cultural-Competency.aspx>. CalVet also recently sent a survey to the advocates to better understand their experience in the advocate role and their efforts to find certified firms for procurement. The survey deadline was January 7, 2022.
- The DGS State Agency Recognition Awards (SARA) is approaching and CalVet looks forward to again presenting the John K. Lopez Awards for Excellence. The nomination forms are available and CalVet will give the nomination form to DGS to make available.
- Questions for Roberto and CalVet can be directed to DVBE@calvet.ca.gov

Governor's Office of Business and Economic Development (GO-Biz) Update:

Chris Earl, Southern California Regional Advisor, Statewide Procurement Lead, Office of the Small Business Advocate, Governor's Office of Business and Economic Development (GO-Biz), (Chris.Earl@gobiz.ca.gov) provided the following updates:

- The California Microbusiness COVID relief grant program provides relief grants to the smallest businesses, which Go-Biz is currently working with counties to administer. The

first round of the RFP process, where counties become the fiscal agent to disperse checks or work with a consortium of nonprofits as the fiscal agent to disperse checks, is complete. The first round of applications for this grant cycle is closed and applications are being reviewed. Round two will be announced soon. These grants are \$2,500 micro-grants. The COVID relief grant details and eligibility criteria can be found at www.CAreliefgrant.com.

- Review information about additional funding sources at [Funding Programs | California Office of the Small Business Advocate \(CalOSBA\)](#)
 - The Inclusive Innovation iHUBS, or iHUBS-squared, is a program focused on economic development and innovation in underserved areas. There is an RFP that closes on Dec. 16, 2022. Go-Biz looks to create 10 iHUBS, which will each get \$250,000 with a five-year designation.
 - The California Venues Grant program is a one-time \$150 million allocation for live event venues that closed due to pandemic. The maximum award allowed is \$250,000 or 20 percent of the applicant's gross revenue from 2019. It closed December 8, 2022.
 - The recently announced California Dream Fund is a one-time \$35 million grant program with micro-grants up to \$10,000 to support business growth in partnership with SBDCs and the technical assistance network. Go-Biz will develop a training program throughout the state describing how to receive the funds. One requirement for application is that the business completes all documents to be a business in CA. This is an RFP, but only for the technical centers. When that round is complete, selections will be announced.
 - Through the California Non-profit Performing Arts Program, which has a \$50 million allocation, businesses can receive up to \$75,000 for workforce development related to art and entertainment centers. Funds can go to employee-related costs such as payroll, health benefits, HR, and other related costs, such as equipment. This Performing Arts Grant has not yet been announced.
 - While addressing concerns about the definition of "microbusiness", Chris clarified that the Go-Biz definition of "microbusiness" is a business with less than \$100,000 in Gross Annual Receipts (GARs), which is different than the DGS definition.

Legislative Update:

Matt Bender, Deputy Director of the DGS Office of Legislative Affairs, (Matt.Bender@dgs.ca.gov) provided the following legislative updates:

Even though the legislative session has ended, DGS is currently following the active bills listed below:

[AB 1574 \(JEDE Committee\) – Small Business Liaisons and Disabled Veteran Business Enterprises: Public Contracts](#) (Signed)

Provisions were added for the DVBE program and requirements for state agencies to seek out small businesses that have not done business before or regularly used.

- This bill will implement accountability measures related to DVBE subcontracting practices on state procurements. This bill will redefine the roles of CalVet and DGS in administering the DVBE program. It also directs state agencies to seek out, identify, and solicit small businesses that have not done business with the agency or are not regularly used by it. *Note: Filed with Secretary of State October 9, 2021.*

[AB 915 \(Chiu\) – Small and Disadvantaged Business Enterprises](#) (Senate Appropriations Suspense File)

DGS is having positive discussions about this bill to see what can be done to advance the general goals of the bill.

- This bill would have established a race-conscious definition of “disadvantaged business enterprise” for the purposes of state construction projects. It would grant these businesses a bid preference, expand an existing streamlined procurement method to include them, and create associated reporting requirements. This bill would have also codified the 25 percent state contract participation goal for small businesses and require departments to adopt an “Economic Equity First” action plan. This bill would have also established a “fast track” for small business certification. *Note: This bill was held on the Senate Appropriations Committee suspense file.*

[AB-416 California Deforestation-Free Procurement Act: public works projects: wood and wood products](#) (Vetoed)

This bill created a complicated assessment of forest risk commodities.

- This bill would have required DGS to issue a Deforestation-Free Code of Conduct that includes a list of “forest-risk” commodities, as defined, including wood, paper, rubber, palm oil, beef, and soy. This bill would have further required state contractors (excluding public works contractors) that provide products to the state that include forest-risk commodities to have a No Deforestation, No Peat, No Exploitation (NDPE) policy meeting specified criteria and to make specific certifications. The bill would have required these contractors to publicly disclose their supply chains back to the farm or forest where the commodity was grown or harvested. *Note: This bill was vetoed by the Governor on October 5, 2021.*

Non-active bills still of interest to DGS:

[AB-1110 Zero-emission vehicles: Clean Vehicles Ombudsperson: Climate Catalyst Revolving Loan Fund Program](#) (Inactive)

- Author’s office has reached out to DGS to continue conversations.

[SB-674 Public Contracts: workforce development: covered public contracts](#) (Inactive)

- Bill primarily affecting transportation contracts and creating sub-labor standards for contracts; continuing conversations with the author on how to proceed.

Enterprise Technology Services (ETS) IT Opportunity:

Nancy Smith, Information Technology Supervisor II - ServiceNow Analyst Supervisor, ETS, Department of General Services (Nancy.Smith@dgs.ca.gov), presented a potential IT marketing opportunity regarding telework:

- Angela introduced Nancy Smith and explained the potential for contract opportunities with a telework tracking project at DGS. This project was introduced as informational only.
- The state of California recently released a new telework agreement, found on the California Government Operation Agency's (GovOps) telework website: <https://telework.govops.ca.gov/>. The telework agreement requires departments track specific metrics related to telework and make regular reports to DGS. To meet these requirements, departments may need to issue contracts, which creates opportunities for small businesses to work with the state. Businesses interested in these opportunities should visit the GovOps telework website to see if they can meet any of the solution needs.
- DGS has a statewide telework dashboard, which contains data from 15 departments about telework and the positive impact it has for the state, employees, and others. If you are interested and want to help, email StatewideTeleworkMetrics@dgs.ca.gov.
- Angela added that the state has moved to a statewide telework policy and telework is going to stay for the long-term. Departments are required to develop their own policy within the guidelines of the statewide telework policy, which they do independently from DGS, and regularly report on their efforts to DGS. Departments may collect this information themselves and send it to DGS, however departments can also contract businesses to help them gather the needed data to report to DGS.
- Council members interested in these opportunities can reach out to the departments they are interested in working with through the departments' advocates. For DGS, council members can follow up with Nancy Smith (Nancy.Smith@dgs.ca.gov) or Bob Summers (Bob.Summers@dgs.ca.gov).

Acquisitions Update:

Pat Mullen, Manager, Multiple Award Programs Section (Pat.Mullen@dgs.ca.gov) provided the update for Carol Bangs, Acquisitions Branch Chief:

CMAS Portal

- Pat showcased the new California Multiple Award Schedule (CMAS) Portal, which was released on 2/1/21. Businesses are encouraged to read the ["before you apply" guide](#) to better understand CMAS and how to become a CMAS holder before applying for CMAS.

After accessing the guide, go to the [CMAS portal](#) to apply. The portal allows small businesses to apply for a CMAS, make reports, ask questions, and more. It is an all-electronic application, fully replacing the previous paper application. It currently takes about four days to process an application. Most communications about CMAS are now answered through the portal using the [“Ask CMAS a question”](#) function, which businesses are encouraged to use.

- The CMAS portal has search functionality, usable by anyone, to find certified and non-certified businesses that are a CMAS holder. This search allows you to go to Cal eProcure and look at the CMAS contract directly. Buyers use this search to find businesses that meet their procurement needs.
- The CMAS portal also has reporting capabilities, which is useful because it gives DGS information on who is using the CMAS contracts and what businesses are getting the contracts.
- The CMAS portal also calculates fees and allows for the payment of fees.
- Since launch, 852 new CMAS applications have been processed. About 2800 businesses are CMAS holders, of which 1064 (or 38 percent) are small businesses (SB).

TDDC – Technology, Digital and Data Consulting Procurement

- Angela recommended everyone interested in the TDDC attend the upcoming Proposers’ Conference on 12/10/21. Angela noted that DGS staff cannot talk about the details or answer questions because it is an active procurement.
- More information about the TDDC is available on the dedicated [TDDC web page](#) on the DGS website, which includes a ‘frequently asked questions’ link.

Other Acquisitions Information:

- The [PC Goods solicitation, an RFP with nine OEM silos](#), available on Cal eProcure and final questions were due 12/8/21(date). It included a 25 percent DVBE participation requirement for all services purchased (not hardware) and a DVBE incentive. This solicitation was also available on the [DGS PD home page](#) under upcoming solicitations.
- The IT MSA general provisions were recently updated to include DVBE program requirements. Acquisitions will be updating the rest of the language over the next six months. Everyone should have received a link to provide input on what would be helpful from the perspective of an SB.

SBAC Committees’ Updates:

Shaila Rao Mistry, Chair, Processes Committee:

Processes Committee Chair Shaila Rao Mistry presented on the committee’s mission, priority areas and accomplishments, noting the guests in attendance may want the background:

- The Committee’s Mission is to improve procurement processes and access to contract opportunities, and increase participation for SBs in state procurement. Many improvements related to procurement have been made, including the new CMAS portal, UNSPSC code revamp, and streamlining of the MSA bidding process. These

accomplishments are significant as it can take a long time to make change or get a contract with the state.

- Processes Committee has 12 priorities, plus a priority recently added.
 - The process committee met with DGS staff to discuss concerns of the MSA program and how large contracts may be written to exclude new SBs through required years of experience, pricing, and the need for specific parts or products. Departments place experience requirements on contracts as a quality assurance measure. Departments may require specific parts or products because of various business needs, such as compatibility with current products. DGS has limited control over the actions of other departments, who act based on their own delegated purchasing authority.
 - The committee is still exploring how best to include SBs currently excluded from state procurement opportunities into the procurement process. Sheltered bidding, where SBs only compete with each other, is being explored by the committee.
 - The committee is also exploring how best to prepare SBs for bidding and following through on the contract.
 - The committee is again exploring the 80 percent rule with respect to the California Prison Industry authority (PIA) and the food industry. PIA's expansion into offering food products brings additional competition to SBs that offer food products, causing SBs to lose contracts to the PIA.
 - Prompt Payment remains a focus and priority for the committee, which is exploring policy changes to make improvements to the program. Specifically, the committee is exploring changes about SBs getting paid on time without the requirement of taking a pay reduction.
 - The committee is still interested in seeing the state create an "Office Hours and Matchmaking" program to help SBs better prepare their business for state contracting.
 - The committee's other priorities include: the SB Bidding process, UNSPSC improvements, classification of micro-business, transparency and reporting, allocation of opportunities for SBs, and compliance with procurement requirements for SBs.

Mike Daniel, Chair, Outreach and Education/Legislation Committee:

Outreach, Education and Legislation Chair Mike Daniel presented on the committee's priority areas which are:

- The committee discussed current training offered by OSDs and ideas for future training. The committee is looking closely at how the state of California and DGS can give consistent messaging, information, and education about the SB and DVBE programs and state procurement to all interested stakeholders. And, the committee is exploring how organizations, such as the members of this council, can better collaborate for the trainings DGS offers.

- OSDS and the SBDC are crafting a “train the trainer” program to train the SBDC business consultants on the state SB and DVBE programs and procurement process. Currently there are a total of five classes covering the basic, intermediate, and advanced content for state procurement.
- The committee is interested in creating a universal state-wide definition of “small business” to replace the different definitions held by DGS, GO-Biz, and any other state entities that have their own definition and will be asking that other entities using the term “small business” adopt this definition.
- The committee talked about putting together a “state procurement month” as an educational effort with CalOSBA and others. This could be a significant collaborative effort to educate and prepare businesses for successful state contracting.
- Jai Sharma recently shared the success story of his business, Silicon Valley Consulting Group (SVCG), on a radio station and to [JEDE](#) SB Round Table. SVCG struggled to get a state contract for more than a year, but with support from DGS, a representative of the JEDE Small Business Roundtable, and especially procurement staff from the Department of Technology (CDT), they succeeded in winning a contract. Specifically, the buyer at CDT provided detailed, empathetic, helpful feedback on a contract they did not win, which allowed the company to improve their bid the next time. SVCG learned several valuable lessons including to ask for a debrief with the contract administrator to learn how you can improve, conduct independent research, stay motivated, and build your network. With this contract SVCG commits to subcontracting with diverse SBs. By subcontracting, they hope this will empower other SBs to go after their own contracts.

Phil Vermeulen, Chair, Commercially Useful Function (CUF) Committee:

CUF Committee Chair Phil Vermeulen presented on the committee’s work/areas of interest:

- The CUF committee remains focused on [AB 1574](#), which DGS is figuring out how to implement. The committee, after discussion with DGS staff at last committee meeting, is also looking at issues with implementation regarding the Attorney General. DGS is still investigating this and based on what they discover, a cleanup bill may be needed due to unintended consequences.
- The CUF Committee is also concerned with the 80 percent rule and the expansion into food products by the California [Prison Industry Authority \(PIA\)](#). PIA has expanded into food services and is now taking business away from SBs who would otherwise provide those products to the state for procurement needs.
- In talking with the [JEDE committee](#) about this, they have had difficulties addressing these issues of competition between small businesses and the PIA. There are public safety committees in the state legislature that are involved and that needs to be explored. This issue is primarily with PIA and does not involve DGS.
- The committee is seeking to meet with the PIA to understand the impact to small businesses by the Department of Corrections.

- Phil provided background on the PIA including its creation in 1983 based on the idea of job training and reducing prisoner recidivism. The idea was that if prisoners apprenticed during their time in prison, it would help to find jobs when paroled and reduce recidivism.
- The last issue of the CUF committee is related to third-party CUF evaluation and review. This is a concept about having a third-party conduct independent CUF evaluations to provide better CUF enforcement. The committee anticipates this will be an important committee issue for 2022 alongside the PIA issue.

OSDS Branch Updates:

Wayne Gross, OSDS Business Outreach Liaison, reported on OSDS updates:

- Outreach events:
 - December 10 - TDDC Master Service Agreement Proposers Conference (non-mandatory); January 7, 2022 is the deadline to apply for the TDDC contract
 - December 11 - “Mujeres Cambiando El Mundo” hosted by the Regional Hispanic Institute; director Ana Lasso was honored at the event
 - December 14 - “How to Get Businesses Certified”
 - December 15 - “Southwest Veterans’ Resource Business Center 10th Annual Summit” which is a hybrid event and included Angela Shell & Anda Draghici as keynote presenters and panelists, along with Wayne Gross who conducted a “How to Get Certified with the State” workshop
 - January 11 to 13 - Caltrans North Region Virtual Contractor's Boot Camp
 - To view all future outreach events, visit: <https://www.dgs.ca.gov/PD/Events>
- OSDS announced a new Reciprocity Partner: Compton Unified School District.
- SB/DVBE Emergency Registry
 - The registry was launched on September 30, 2021, and as of the date of the meeting had over 500 businesses registered and over 100 state buyers
 - To register your certified business, to go: https://dgs.service-now.com/dgs_ssp

Demeshia Swanson, OSDS Certification Manager reported on SB 588:

- In response to the recent passage of SB 588 in 2020 and previous passage of AB 230 and AB 1365 in 2019, DGS updated policies and procedures in the State Contracting Manual (SCM) to strengthen the DVBE program requirements. These changes require, among other things, prime contractors certify their use and payment of DVBE subcontractors or the state withholds up to \$10,000 from the final payment. If the timeline for payment of the DVBE subcontractor is not met, the withholding becomes a permanent deduction. Departments may also ask for proof of DVBE payment(s).
- Angela explained the information can be found under broadcast bulletins on the DGS website. Prime contractors are now on notice to make sure their DVBEs are paid, or a

monetary withholding occurs until the DVBE is paid. All general provisions have been updated with this new language. These changes will be tracked by DGS.

Review of New Action Items:

Leslie Fritz, OSDS Business Outreach Liaison, reviewed the new action items created by the discussion at this meeting. They are:

1. DGS will provide Chris Earl's contact information for CalOSBA updates.
2. DGS to share Matt Bender's legislative update.
3. DGS will share the ETS Teleworking IT Presentation.
4. DGS will share the CMAS presentation.
5. DGS will share the Education, Outreach and Legislation Committee presentation.

Public Comment:

- Maria Solano thanked Angela and her staff for their role and participation in an event targeted for the Inland Empire. The event went well and the help DGS provided was great and of use to the businesses. They are also launching a new website with a procurement portal.
- Stephen Simpson thanked everyone on the council and at DGS for all their hard work.
- Shaila Rao Mistry shared she thought the committees accomplished many tasks and have discovered new priority items to explore in 2022.

Adjournment:

- Angela thanked everyone for their work over the past year and their commitment to the council and wished everyone Happy Holidays.
- Matt Zweier shared that OSDS will send a survey to SBAC members in preparation for the strategic planning meeting in March.
- Angela added that the survey will have a question about how the advocates can be improved to better serve and support SBs and DVBEs.
- The next meeting is scheduled for March 9, 2022, from 9 a.m. to 4 p.m. and will be virtual. This meeting will be the two-year strategic planning meeting.

A motion to adjourn was made by Maria Solano and seconded by Shaila Rao Mistry. The council meeting adjourned at 3:58 p.m.