

## **Department of General Services (DGS)**

### **Small Business Advisory Council (SBAC) Meeting Minutes**

**Date:** Wednesday, June 27, 2018

**Time:** 1 – 3 p.m.

**Location:** DGS

Executive Board Room, RM 8-100

707 3<sup>rd</sup> Street, West Sacramento, CA 95605

#### **Call to order**

Angela Shell, Council Co-Chair/Deputy Director of the Procurement Division (PD), called the meeting to order at 1:05 p.m.

#### **Welcome and Introductions**

Angela Shell welcomed everyone. Paul Guerrero pointed out that the meeting agenda was not sent out within the 10-day time period as required. DGS staff posted it on the website within the 10 days, however, due to last minute changes on the agenda, it was not sent within the 10-day time period. DGS commits to send the agenda 10 days prior to the meeting and will make any future agenda changes at the SBAC meeting.

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#### **Attendees**

Members present in-person: Aubry Stone, Philip Vermeulen, Paul Guerrero, Ruth Bley, Juan Garcia, Lori Kammerer, and Maria Solano

Members present via webinar: Shaila Rao Mistry, Michael Daniel, Frank Louie, Rachel Fischer, William Osgood, Sharon Brown, and Stephen Simpson.

Members absent: Savita Farooqui, Betty Jo Toccoli, Jerry Bircher, Don Stoneham, Douglas Eldridge, Lee Cunningham, Leonard Ortiz, Julian Canete, and Mitch Anderson.

DGS present: Angela Shell, Angel Carrera, Tanya Little, Carl Josephson, Andysheh Dadsetan, Lauren Sharon, Matt Zweier, Darvin Manuel, Anthony Lewis, Tonia Burgess, Danetta Jackson, Robert Cosgrove, Steve Casarez, Joel Griffith, Raaj Patel

Government Representatives present: Jenifer Henneke (GO-Biz)

Guests present: Sukhjinder Sahota (FI\$Cal)

#### **Approval of meeting minutes**

Presented by Angela Shell. Motioned to approve by Paul Guerrero and seconded by Aubry Stone. None opposed, motion carries for approval of the minutes.

#### **Past/Current Action Items**

- DGS sent out the Design Build contact information to all SBAC members.

- DGS clarified that SBAC members can use Zoom for their committee meetings.

### **Legislative Update – Robert Cosgrove**

- Assemblywoman Quirk-Silva AB 1552 – This bill would require a public utility, as specified, to pay late payment penalties to a certified small business or a contractor committed to having at least 25 percent of the contracted work undertaken by a certified small business. Penalties would accrue after the date payment is specified in contract or, if no date is specified, within 30 days of receipt of an undisputed invoice.
- Assemblyman Garcia AB 2106 - This bill would increase the bid preference created by AB 822 (Caballero) from 5 percent to 10 percent. This preference is to be given on California-grown agricultural products purchased by state-owned and state-run institutions, except state universities. If there are no bids including California-grown agricultural products, the preference can be given to agricultural products processed or packaged in California
- Assemblywoman Quirk-Silva AB 2463 – This bill would create the Small Business Assistance Program within GO-Biz for the purpose of assisting small businesses by entering into partnership agreements with one or more federal small business technical assistance centers.
- Assemblywoman Quirk-Silva AB 2687 – This bill would revise and recast provisions related to GO-Biz’s Office of Small Business Advocate.
- Assemblywoman Carillo is AB 2762 – This bill would, for local agencies, increase the single bid preference to a small business, disabled veteran business, or social business enterprise to 7 percent. This bill would also allow a local agency that authorizes the use of more than one preference in a single bid to set the maximum percentage of the combined preference at 15 percent.
- Senator Newman SB 1179 – This bill would prohibit a firm from participating in the disabled veteran business enterprise (DVBE) program for at least five years if it failed to submit the required certifications related to their DVBE participation goal. A firm that failed to submit the required certifications for a second time would be permanently banned from participating in the DVBE program.
- Questions
  - Aubry Stone asked about AB 1552, “Where is this bill in the process, is it going to be a two-year bill, and does DGS have a position on it?” Angela Shell responded “We cannot give you a position on it.” Robert Cosgrove responded, “We are in the second year of the two-year cycle. If the bill does not make it through this session, then it will have to be reintroduced next year.”
  - William Osgood asked about SB 1179. Robert Cosgrove reiterated the details of that bill.

## GO-Biz Update – Jenifer Henneke

- The Small Business Technical Assistance Programs approved by legislature – includes funding support for PTAC and others that support small business contracting.
  - \$17 million annually (General Fund) to GO-Biz for five years to establish a new Small Business Technical Assistance Expansion Program to support one-on-one counseling and training. (Included in AB 1817) Estimated issue date is October 2018.
  - \$3 million annually (General Fund) to GO-Biz for five years to continue funding the Small Business Access to Capital Program. (Included in the Budget Bill SB 840) Estimated issue date is late July or early August.
  - \$3 million one-time (General Fund) to GO-Biz to establish a new matching grant program to help draw down federal small business technical assistance dollars and fund one-on-one counseling and training. (Included in the Budget Bill SB 840) Estimated issue date is late July or early August.
- CA Competes Tax Credit approved for another five years at \$180M per year and removes small biz set aside.
  - Changes in statute made to remove 25% or \$20M for small businesses with gross receipts of \$2M or less. Regulation changes are clean-up language.
- GO-Biz is moving forward on the Proposition 64, Adult Use of Marijuana Act, Community Reinvestment Grants Program (CRGP) which GO-Biz, in consultation with the Labor and Workforce Development Agency and the State Department of Social Services, will be administering.
  - Stakeholder engagement workshops for Prop 64 will begin in October to build out program.
- Through the program resources will be distributed to local health departments and qualified community based nonprofit organizations. These dollars are for communities disproportionately affected by past federal and state drug policies to support job placement, mental health treatment, substance use disorder treatment, system navigation services, legal services to address barriers to reentry, and linkages to medical care.
- Funding allocation in the first five fiscal years including 4% to administer program (dependent on received tax revenue) is as follows:
  - 2018-2019 - \$10M - \$400K
  - 2019-2020 - \$20M - \$800K
  - 2020-2021 - \$30M - \$1.2M
  - 2021-2022 - \$40M - \$1.6M

- 2022-2023 - \$50M - \$2.0M
- Grants in the range of \$50K to \$250K to be issued first quarter of 2019.
- Questions
  - Angela Shell asked if we can have a summary of the update and then we can send it out as an attachment.
    - Copies of the CRGP program was distributed to everyone in attendance at the SBAC meeting.
  - Philip Vermeulen asked, “Has the process application been developed yet?” Jennifer Henneke responded, “No”, the application process has not been fully developed.” In the next six months they will be working with stakeholders on the process and the online application.
  - Philip Vermeulen followed up on AB 1552 and shared with the group it was in the Senate at the present. The bill was heard on April 19 in the Senate Energy, Utilities and Communications Committee. It was amended on May 23 and re-referred to the same committee.

### **Contract Update – Steve Casarez**

- The Contracts Management Section has the following major contracts and solicitations being advertised:
  - Enterprise Level IT Equipment, which includes Storage, Servers and PC Servers. The historical expenditure has been \$100 million.
  - Fire Trucks, Type 1
  - Envelopes for mass mailing
  - Best Value Buys for Heavy Equipment for Cal Trans. We use a Request for Proposal (RFP) format.
  - Electric Transit Buses for regional transit districts.

### **Application Renewals and Travel Procedures – Danetta Jackson**

- There is still time to send the application to the SBAC mailbox.
- The application serves two purposes:
  - It ensures DGS has updated information for all members and alternates.
  - To adhere to DGS Travel Store policy, which requires a current application and oath of allegiance from all members and alternates. This ensures accountability of state funds.
- We set up accounts for members and alternates. Members can call the Cal Travel store to book travel. The procedures will be emailed out and are available on the SBAC webpage.
- Questions

- Paul Guerero asked if membership is granted to the individual or the business/organization. Matt Zweier clarified that membership is granted to the individual, not the business. Danetta Jackson added that several years back DGS assembled a team and had a meeting to update the charter.
- William Osgood asked if we use a Concur account. Danetta Jackson explained how Cal Travel works and how to use it.

## **Design Build Construction Projects Update**

- **CA Air Resources Board Project (CARB) – Joel Griffith**
  - The \$368 million design-build project consolidates CARB's Southern California administrative offices, emission testing and laboratory facilities into a new 400,000 GSF facility on 19 acres.
  - Project Status:
    - Design: 50% Construction documents under review
    - Construction: Earthwork starting in July 2018
    - Subcontracting: Approximately 40% of the subcontracts have been contracted
  - Small Business (SB):
    - Commitment: \$92,000,000 - 25%
    - Goal: \$114,080,000 – 31%
    - Current: \$36,811,692 – 10%
  - Disabled Veteran Business Enterprise (DVBE):
    - Commitment: \$114,080,000 – 31%
    - Goal: \$22,080,000 – 6%
    - Current: \$13,791,876 – 4%
  - The third Subcontractor outreach event is Thursday, July 26, 2018 from 10 a.m. to noon at the Bourns Technology Center, 1190 Columbia Center Riverside, CA 92501.
  - August and September bid packages:
    - Misc. Metals & Ornamental Metals
    - Lab Casework & Equipment
    - Doors, Frames, Hardware
    - Roofing, Roof Access, Water & Damp Proofing
    - Flashing & Sheet Metal (Incl., Exterior Expansion Joints)
    - Operable Partitions
    - Skylights
    - Canopies

- OFCI Equipment
- Misc., Building Equipment (incl., Weather Tower)
- Insulation
- Overhead and Coiling Doors
- **O and P Street Projects – Raaj Patel**
  - The New O Street building project includes demolition of the existing vacant California Department of Food and Agriculture Annex building, abatement and removal of all asbestos and lead materials, and construction of a new, modern office building in Sacramento.
  - The new building will be approximately 360,000 total gross square feet, and will include office, assembly, storage, building support, parking, and commercial food service space. The building will have an expected building capacity of 1,150 employees and will house staff from the Health and Human Services Agency, the Department of State Hospitals, and the Department of Developmental Services.
  - SB/DVBE Goals: Maximizing opportunities to achieve 25 percent SB and 3 percent DVBE participation.
  - Current Progress: Currently tracking 0.62 percent achieved towards SB and 1.9 percent towards DVBE goal.
  - To register as a prospective bidder, material, goods, and/or service provider please visit: <http://projects.rsconstruction.com/dgs-o-st-bldg>
  - New Natural Resources Headquarters Building Project:
    - Location: 7th/8th and O/P Streets, Sacramento
    - Scope: 21-stories office building; approximately 875,500/gross sq. ft. including office, conference center, retail, and food kiosks.
    - Contract Amount: \$520,497,000
    - Schedule: Feb 19, 2018 – Aug 27, 2021
    - Design-Builder: Turner/AC Martin
    - Project Status:
      - Onsite utility relocation in progress.
      - First of five Code Packages have been submitted for review by the SFM.
      - Groundbreaking ceremony on September 20, 2018.
      - Tenant programming in progress; completion in October 2018.
  - SB/DVBE Goals: 25 percent SB and 3 percent DVBE
  - Current progress: Outreach “Kick-off” held on June 7, 2018.
  - Reporting infrastructure in place for upcoming construction.

## **FI\$Cal Update – Sukhjinder Sahota**

- FI\$Cal enables the state to combine procurement, accounts payable, accounts receivable, and project costing all in one system.
- Many of the changes made were cosmetic in nature in order to give end users a better overall experience. Some of the changes resulted from system defects.
- Cal eProcure was launched in December 2015. Cal eProcure is the face of FI\$Cal where you can apply for certification, search for SB/DVBE's, bid opportunities, search for contracts and Leveraged Procurement Agreements.
- FI\$Cal created a new look for mobile device application view where the search fields are not cut off.
- Advanced search has more fields.
- Some of the featured work efforts under analysis and development is the Punchout functionality. This system has the capability that allows web shopping similar to Amazon.
- Another item on the “to do” list is SB 605. This creates a new category of eligibility for Public Works. SB increases Gross Annual Receipt (GAR) limit to \$36 million, increases the number of employees to 200, and increases the GAR for micro businesses to \$5 million.
- Angela Shell commented that UNSPSC codes are what the system is set for. This is what we use at DGS and what we use in FI\$Cal.

## **Ad Hoc Committee Update – Committee Chairs**

- Angela Shell talked about the May 7 teleconference meeting she had with the committee chairs to talk about their progress, what assistance they need from DGS, updates, full disclosure, and critical issues they may have without having to wait until the next SBAC meeting. She also announced that Jerry Bircher has decided to step down from the SBAC.
- Rachel Fisher provided an update on the Processes Committee:
  - Met via zoom and conference call on May 1.
  - Six members in attendance.
  - Discussed seven strategic plan recommendations that came out of the March strategic planning session.
  - The committee created a list of questions and requested clarification from DGS. DGS sent back responses. Rachel will send the responses to the Processes Committee members.
- The Process Committee will provide another update on the next SBAC meeting on September 5.
- The Outreach and Education Committee has not had a meeting since the previous SBAC meeting.
- The CUF Committee has not had a meeting since the previous SBAC meeting.

- Angela Shell asked, “Given that Jerry has stepped down, do we want to appoint another chair?” The council discussed the matter and agreed that Angela should reach out to Jerry within the next two weeks. Angela said that one of Jerry’s frustrations was that when he tried to schedule a committee meeting he got no response. Angela will have that conversation with Jerry and she will make sure there is a commitment from the committee. Phil Vermeulen, Lori Kammerer, and Ruth Bley are on the CUF committee and expressed continued commitment, and rebuked Jerry’s claim of non-participation. They reassured the council that one of them would be willing to be the CUF Committee chair.
- William Osgood would like to be considered chair of the CUF Committee if Jerry does not return to the council.
- Sharon Brown said she would like to be added to the Processes and CUF Committees.

### **Review of New Action Items – Angela Shell**

- Provide website information on the DGS design build projects.
- Email project information, flyers and upcoming events to SBAC members.
- Send out and post Travel and Reimbursement procedures on the website.
- Request that a representative from Caltrans provide a briefing on SB1 at the next SBAC meeting.
- Review contractual language regarding the SB/DVBE goals for the design build projects.
- Shaila Mistry is interested in being added to the Processes and CUF Committees
- Post and share the GO-Biz Flyer with the SBAC members

### **Public Comment Period – Members of the public**

- Paul Guererro warned about fraudulent emails.

Paul Guerrero made a motion to adjourn, seconded by Aubry Stone. Majority in favor.

**The meeting adjourned at 2:20 p.m.**