

Small Business Council (SBAC) Meeting Minutes

Date: Wednesday, March 14, 2018

Time: 1 – 3:30 p.m.

Location: Department of General Services
Executive Dining Room, RM 1-205
707 3rd Street, West Sacramento, CA 95605

Call to order

Angela Shell, Council Co-Chair and Deputy Director of the Procurement Division (PD), called the meeting to order at 1:07 p.m.

Welcome and Introductions

Angela Shell welcomed everyone. Informed attendees of a slight change to the agenda: move the approval of meeting minutes and the past/current action items to just after the CA Insurance Diversity Initiative presentation.

Attendees

Members present in-person: Scott Rogalski, Julian Canete, Lee Cunningham, Ruth Bley, Rachel Fischer, Leonard Ortiz, Jerry Bircher, Betty Jo Toccoli, Paul Guerrero, Frank Louie, Don Stoneham, William Osgood, Aubrey Stone, Philip Vermeulen, Savita Farooqui, Lori Kammerer, Justin Adams, John Kabateck

Members present via webinar: Jerome Toliver, Mike Daniel, Mitch Anderson, Douglas Eldridge, Stephen Simpson, Sharon Brown

Members absent: Ken DeVore, Evelyn Graham, Ruben Guerra, Shaila Rao Mistry, Scott Hauge, Jesse Torres

DGS present: Angela Shell, Angel Carrera, Omar Randle, Tanya Little, Tonia Burgess, April Reding, Judy Burnett, Harold Andres, Robert Cosgrove, Jordan Aquino, Steven Casarez, Charleen Fain-Keslar, Catrina Blair, Danetta Jackson, Araceli Mohseni, Matt Zweier, Demeshia Swanson, Wayne Gross, Mamta Srivastava, Richard Standiford

Government Representatives present: Dave Jones (California Insurance Commissioner), Keith Boylan (CalVet), Chandara Phanachone, (CA Dept. of Insurance), Michael Magee (CalVet), Jamie Jones (CalVet), McKensie Pimley (CAL FIRE), Nina Martinez (CDCR), Janelle Green (GO-Biz), Ken Ashford (Metropolitan Water District; webinar), Kathleen Webb (GovOps; webinar)

Guests present: Dr. Giovanna Brasfield (Hensel Phelps), Rashid Sidqe (CA Black Chamber of Commerce)

CA Insurance Diversity Initiative - Commissioner Dave Jones

- Refer to the [Insurance Presentation](#).
- California's Insurance Diversity Initiative - This initiative was established in 2011. The insurance industry collects approximately \$290 billion per year in premium. Approximately \$5.5 trillion in assets under management. It is the largest insurance market in the U.S. and fourth largest in the world.
- Questions
 - William Osgood asked about AB 53, will there be an effort to revitalize it after its sunset date? Commissioner Jones will speak to each individual hoping to succeed him and stated that he would like to see the legislature codify it in a way that strengthens, not weakens, what they are trying to do.
 - Ruth Bley proposed that the Commissioner require insurance companies report their diversity data. Commissioner Jones stated that only the legislature can enforce this.
 - Ruth Bley asked if the insurance suppliers are self-identifying as certified diverse suppliers? Commissioner Jones responded yes.
 - Rachel Fischer asked about mirroring the programs similar to the PUC program where there are two set goals? Commissioner Jones responded that his statute does not authorize him to take diversity and procurement into account in any of the regulatory work that he does.

Approval of meeting minutes

Presented by Angela Shell. Motioned to approve by Leonard Ortiz and seconded by Jerry Bircher. None opposed, motion carries for approval of the minutes.

Past/Current Action Items

- Provide members with the contact information for design-build projects.
- Propose Charter amendments to be revised.

Legislative Update - Jordan Aquino

- Refer to the [Legislative Update](#) presentation.
- Questions
 - Lee Cunningham asked if SB 1178 is legal and whether it has it been challenged by anybody. Jordan Aquino responded that the bill was introduced about a month ago and has recently been scheduled for committee hearings.
 - Don Stoneham asked about the general consensus of the bill. Jordan Aquino responded that since it has been recently scheduled for committee hearing, they will have to wait and see.
 - Lee Cunningham asked Angel Carrera if it is possible to have DGS staff look into this bill. Angel Carrera responded that his office has been actively

reviewing the proposed bill and has done legislative analysis to see how it will impact the DVBE program overall. However, the state has to be very careful about any position it takes. He also stated that OSDS has been working closely with CalVet. Furthermore, that the legislation was shared with the Alliance as well as the Elite and his office is waiting to see what they are going to do.

- Lori Kammerer stated that the hearing is set for April 10th and has been referred to the Senate Committee on Veterans' Affairs and the Senate Governmental Organization.

GO-Biz Update – Janelle Green presenting

- Refer to the [GO-Biz Presentation](#).
- Questions
 - Lee Cunningham asked how businesses can get involved. Janelle Green will share the program link and the project manager's contact information and mentioned that there are several workshops available. Angela Shell will ensure that DGS staff uploads the contact information on DGS' SB webpage.
 - Savita Farooqui asked if there is a systematic way to communicate with all the businesses about these programs, specifically CASCADE. Janelle Green responded that it is a question for the program manager.
 - Savita Farooqui asked for clarification on the definition of small business in terms of Cal Competes. Janelle Green defined it as a business with two million gross receipts or less. This definition is based solely on Cal Competes' regulations. Savita Farooqui commented that Cal Competes should use the same SB definition as DGS.

Contract Update - Steve Casarez

- The Contracts Management Section has the following projects preparing to go to bid and is seeking for SBs/DVBEs to participate:
 - Renewable diesel service contract
 - Paper and gloss for the Office of State Publishing
 - Plastic bags as used by Caltrans
 - Truck, cab & chassis
 - Fork lifts & pallet jacks
 - Gooseneck trailers for use by CAL FIRE
 - Textiles: sheets and pillowcases for use by state prisons
- Questions
 - Lee Cunningham and Steve Casarez discussed details of the projects, including SB/DVBE participation, dollar amount, and timeline.

- Angel Carrera asked Steve whether there were SB/DVBE goals on those projects.

Design Build Construction Projects Update

- **Air Resources Board Project - Dr. Giovanna Brasfield**
 - Refer to the [Hensel Phelps Presentation](#).
 - Upcoming outreach Events: California Air Resources Board (ARB) Subcontractor Outreach on March 20, 2018 (refer to Slide 11 of the [Hensel Phelps Presentation](#)). Bid packages are coming out later this month. There will be other future outreach events for specific bid packages. Southwest Airlines Terminal 1.5 Subcontractor Outreach (refer to Slide 12 of the [Hensel Phelps Presentation](#)).
 - Questions
 - Dr. Brasfield will connect Savita Farooqui with the corporate office regarding technology opportunities.
 - There are SB/DVBE participation goals, not DBE, for the ARB project.
- **O and P Street Projects – Richard Standiford**
 - P Street Project: Natural Resources Headquarters (\$520 million) in downtown Sacramento. The prime is Turner Construction and it has a 25 percent SB goal. Early bid packages coming out will be: deep foundation, utilities, concrete, and civil work.
 - Questions
 - Lee Cunningham is concerned about past confusion between the SB and the DBE certifications. Angela Shell asked Richard to inform the prime that this is a state funded program.

SB 605 Update - Demeshia Swanson presenting

- Refer to the [SB 605 Presentation](#).
- \$36 million gross annual receipts and 200 employee threshold.
- Questions
 - What is the effective date? Demeshia Swanson responded January 1st, 2019 and DGS staff is working on the implementation process.
 - Lee Cunningham asked if the threshold for MBs can be raised to \$5 million? Demeshia Swanson responded no, unfortunately, only to \$3.5 million.
 - Rachel Fischer asked if any business that would work on a public works contract fit into the new category. Demeshia Swanson responded yes, and referred to GC §4525 and PCC §1101.
 - Paul Guerrero and Demeshia Swanson discussed what counts as construction. It depends on the work being done. This is defined in PCC §1101.

DVBE Regulations Update - Demeshia Swanson

- Refer to [DVBE Regulations Update](#)
- Major Changes:
 - Expanded the certification period from one to two years.
 - Accepts Disability Entitlement Letters from the county, regional offices and Veterans Affairs or Department of Defense.
 - Tax return submittal: upon certification you have until the follow-up re-certification (2 years later), to submit updated tax return information.
 - Reorganized the DVBE regulations so they are closer to the SB regulations.
 - Public comments on April 30, plan to get adopted by January 1, 2019.
- No Questions

SBAC Charter Amendments - Angela Shell

- Refer to [Charter Amendments](#).
- Questions
 - Lori Kammerer, Jerry Bircher, Lee Cunningham, and Don Stoneham all made comments. Participating via webinar counts as “attending.” Invited guests (MWD, GO-Biz) are excluded from the attendance requirement.

New Travel Process/Membership Application – Catrina Blair

- Refer to Slide 72 of 78 of the [Council Meeting Presentation](#) for contact information.
- New conditions to reimbursement:
 - Need a current application on file and a signed Oath of Allegiance
- Travel (including parking) will be reimbursed for the prime or the alternate. Submit a travel expense claim for all approved costs incurred outside of Concur.

Commercially Useful Function (CUF) - Jerry Bircher

- CUF is the number one issue for the next two years.
- Discussed CUF forms signing under penalty of perjury. GC §14840 declared “signed under penalty of perjury.” CUF forms need to include the “signed under penalty of perjury” language.
- Questions
 - Angel Carrera, Jerry Bircher, and Tanya Little discussed this new information. The council will continue to work on it.

Ad Hoc Committee Updates - Angela Shell

No reports

Strategic Goals Update/Planning Session - Angel Carrera

- Three committees have been formed: CUF, Processes, Outreach & Education. Voting to see who will be on which committee.
 - Jerry Bircher made a motion that CUF be a separate committee. Seconded by Don Stoneham. Majority in favor. New CUF Committee established.
- Strategic goals for 2018: There are seven strategic goals. OSDS will organize the goals by priority based on the members' votes before publishing them.
- **Processes Committee Members:** Don Stoneham, Lori Kammerer, Phil Vermeulen, Justin Adams, Jerry Bircher, Rachel Fisher, and Savita Farooqui
 - **Rachel Fischer** nominated as the Processes Committee Chair by Leonard Ortiz, seconded by Phil Vermeulen. Majority in favor.
- **Outreach and Education Members:** Aubrey Stone, Frank Louie, Paul Guerrero, Julian Canete, Rachel Fisher, and Betty Joe Toccoli.
 - **Julian Canete** nominated as the Outreach and Education Committee Chair by Jerry Bircher. Majority in favor.
- **CUF:** William Osgood, Lori Kammerer, Phil Vermeulen, Paul Guerrero, Jerry Bircher, Leonard Ortiz, Ruth Bley, Lee Cunningham, and Douglas Eldridge.
 - **Jerry Bircher** nominated as the CUF Committee Chair by Paul Guerrero, seconded by Lee Cunningham. Majority in favor.

Review of New Action Items - Angela Shell

- Post all handouts & presentations within the next two days.
- Send out minutes within 10 business days for this meeting only.
- Send out the Design Build contact information.
- Clarify if SBAC members can use Zoom for their committee meetings.

Public Comment Period - Members of the public

- Tanya Little thanked those who emailed construction comments and reminded those who have not yet emailed them.
- Danetta Jackson recognized and congratulated McKenzie Pimley, Jamie Jones and Nina Martinez for receiving their State Agency Recognition Award.

The meeting adjourned at 3:34 p.m.

Leonard Ortiz made a motion to adjourn, seconded by Jerry Bircher. Majority in favor.