

California Department of General Services (DGS)

Small Business Advisory Council (SBAC) Meeting Minutes

Date: July 1, 2020

Time: 1–3 p.m.

Location: Zoom

Meeting Facilitator: Angela Shell

Recorder: Daniel Rosinsky-Larsson

The regular quarterly meeting of the DGS SBAC was called to order by Co-chair Angela Shell at 1:00 p.m.

Co-Chair Angela Shell and DGS Business Outreach Liaison Daniel Rosinsky-Larsson, taking minutes, were present. Attendance was taken; a quorum was present.

Angela Shell introduced Jai Sharma, new member of the SBAC. Jai is managing partner of the Silicon Valley Consulting Group. Angela also introduced Roberto Herrera, who is Chief of Veteran and Community Engagement for CalVet.

The council voted without objection to approve the meeting minutes from the past meeting. The action items resulting from the previous meeting were reviewed; all have been completed except for the following:

- The action item to add a column to display SB and DVBE participation on DGS' look-ahead reports, which was deferred until after a presentation on the issue in this meeting by Carol Bangs.
- The forthcoming inclusion of cyber security in future Master Service Agreements.
- The proposed charter revisions, which will be addressed in the September meeting.
- The bidder declaration form, which will be updated to address the concerns brought forth about Commercially Useful Function compliance, is still under development.

Angela Shell provided an overview of the state's emergency procurements to address the COVID-19 crisis.

Isabel Guzman, Director of the Office of the Small Business Advocate of the Governor's Office of Business and Economic Development (GO-Biz), provided updates about the office's work. She noted the governor's recent order to limit the spread of COVID-19 by limiting indoor business activities in certain industries and encouraged SBAC members to share the governor's orders with the communities they represent and do business with. Her office is also involved in partnership with the California Manufacturers &

Technology Association and Autodesk in launching <https://www.safelymakingca.org/>, which provides an online marketplace for manufacturers and businesses to sell and purchase personal protective equipment. SBAC member Charlotta Carter also worked with the GO-Biz California Entrepreneurship Taskforce to develop workshops to promote access to capital for Black-owned businesses.

Carol Bangs, who assumed the role of Chief of the Acquisitions Branch at DGS effective July 1, presented on upcoming and current contracts from the DGS Procurement Division. She noted that SB preferences are always included in contracts. She and members of the council discussed whether it would be worthwhile to note that a contract includes the SB preference in addition to any DVBE incentive; discussion tended towards favoring its inclusion and Carol stated that both SB preferences and DVBE incentives would be noted in future DGS Procurement Division look-ahead reports.

SBAC member Charlotta Carter presented her concerns regarding the complexity of bidding on master service agreements, noting that businesses often have to resubmit information submitted for other procurements. Angela Shell suggested that these concerns be taken up by the SBAC Processes Committee and noted that concerns should be put forward by the current SBAC committee representatives. Charlotta stated that this information was put forward to DGS a year ago by the committee and was discussed in the first meeting of the Processes Committee following the 2020 strategic planning session. Carol Bangs will direct the MSA unit to look into Charlotta's concerns.

Angela Shell reminded the council that all SBAC members are required to participate in at least one committee and that the majority of the council's work and discussions should occur in the committees' meetings, with the committees bringing forward items to be voted on by the entire council or requiring input from all members of the SBAC. Angela Shell and Lee Cunningham will reach out to the committees to find out what support is needed on behalf of the council, and Angela will meet quarterly with the chairs of each committee. Committees should be addressing the subjects voted on in the past strategic planning meeting and may add topics as those subjects are addressed.

Shaila Mistry presented on the work of the Processes Committee. The committee is taking up again several issues marked as complete in the last term of the committee:

- Review DGS forecasts of upcoming contracts and who receives those contracts, define committee roles and responsibilities
- Look into converting the state's use of UNSPSC codes back to using the NAICS code set
- Improve the accessibility and ease of use of Cal eProcure
- Encourage adoption of SB/DVBE First policies

In addition, the Processes Committee will look into:

- Making the bidding process friendlier for small businesses

- Clarifying and improving how goods and services are posted by the DGS Procurement Division on Cal eProcure and how Cal eProcure's search functions work
- Pursuing use of a different term for Small Businesses designated by the state as "Micro Businesses"
- Learning which companies are awarded contracts and how many bids are received per contract
- Simplifying the MSA bid process as reported on by Charlotta Carter by creating a central database for all required documents for bidding
- Pursuing the breakup larger contracts broken up so that smaller companies can participate and win contracts
- The committee is concerned that the state often backs out of contracts it has signed with Small Businesses; the committee wishes to investigate compliance with CUF standards
- Prompt payment is an additional concern
- Explore more reciprocal partnerships with other agencies

At the next committee meeting, the committee will discuss prioritizing these topics.

Chris Chavez stated he wished to make a motion that DGS include the prompt payment penalty in its warrants. Angela Shell suggested that Shaila Mistry include the topic on the list of subjects to be discussed at the next Processes Committee meeting; the suggestion was accepted. Shaila requested that DGS provide the terms sheet and statutes on prompt payment requirements.

Phil Vermeulen presented on the work of the CUF Committee. The committee is concerned about UNSPSC codes being difficult to use for many vendors. The committee is also concerned about competition from SB-PW certified firms which are larger than many SB-certified firms.

The council discussed the benefits and disadvantages of the term micro business.

Michael Daniel, vice-chair of the Outreach Committee, stated that the committee has not yet met. The committee hopes to develop outreach to chambers of commerce and local cities on procurement with state-certified Small Businesses, creating dashboards to keep track of metrics, and creating video training and advertising about the program.

Based on a request from Angela Shell, OSDS will create a SharePoint site for the committees to share documents and information on.

Office of Small Business and DVBE Services Business Outreach Liaison Daniel Rosinsky-Larsson provided an update on the work of the Business Outreach unit related to items voted on for discussion by the SBAC's subcommittees at the strategic planning meeting:

- OSDS has signed an interagency agreement with CalVet to support the DVBE program
- OSDS has hosted and participated in several webinars to a total of approximately 1,000 attendees since March, and has worked to standardize the content of the presentations
- Since March 21, OSDS has responded to more than 500 emails from businesses and government agencies with questions related to COVID-19
- OSDS is working with the DGS emergency contracts team to include outreach to SB/DVBEs on upcoming emergency MSAs and procurements
- OSDS is creating short training videos on state procurement basics
- OSDS is conducting targeted outreach to minority-based business organizations to explore the potential for future partnerships and to support disadvantaged small business communities

Certification manager Anda Dragichi presented on the notification that is now sent to primes and subcontractors when an SB or DVBE firm is listed as a subcontractor on a contract.

Outreach manager Brooke Droege reviewed the new action items created by the discussion at this meeting. They are:

1. Carol Bangs and her team will add a SB preference column to the upcoming solicitations list.
2. Carol Bangs' team will look into the information the processes committee provided them about the MSA process.
3. The Processes Committee will continue to develop specific recommendations for simplifying the MSA process.
4. DGS will look into utilizing SharePoint for the committees to share documents and information.
5. DGS will evaluate whether a "cheat sheet" can be developed between the NAICS and UNSPSC code sets.
6. DGS will provide the Processes Committee with information on late payment penalties and relevant statutes.
7. DGS will send information about SB usage from the Consolidated Annual Report to the council.
8. DGS will look into whether data exists on how many bids are received for state solicitations.

The next meeting is scheduled for September 9, 2020. A motion to adjourn was received and seconded; the council adjourned at 3:00 p.m.