

California Department of General Services (DGS)

Small Business Advisory Council (SBAC) Meeting Minutes

Date: September 9, 2020

Time: 1 – 3 p.m.

Location: Zoom

Meeting Facilitator: Angela Shell

Recorder: Jolene Hulick

The regular quarterly meeting of the DGS SBAC was called to order by Co-chair Angela Shell at 1:05 p.m.

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

Angela Shell introduced new council member Merv Cutler, President & CEO of Cutler Engineering & Technology Services. Angela also introduced Anda Draghici as the new Branch Chief over the Office of Small Business and DVBE Services (OSDS), with a short background on Anda's work history.

The council voted without objection to approve the meeting minutes from the past meeting. DGS Business Outreach Liaison Jolene Hulick reviewed the status of past action items; all have been completed except for the following:

1. Carol Bangs' team will look into the information the processes committee provided them about the MSA process. Update forthcoming by Carol Bangs later in this meeting.
2. The Processes Committee will continue to develop specific recommendations for simplifying the MSA process. Update from Processes Committee forthcoming later in this meeting.
3. DGS will look into utilizing SharePoint for the committees to share documents and information. A demonstration is done by Matt Zweier later in this meeting.
4. DGS will evaluate whether a "cheat sheet" can be developed between the NAICS and UNSPSC code sets. In progress – an update will be given by Renée Alexander at the December meeting when the UNSPSC update project is further along.

5. DGS will send information about SB usage from the Consolidated Annual Report (CAR) to the council. Update forthcoming by Anda Draghici later in this meeting along with an update on the status of the CUF form.

Angela Shell gave an update on DGS. DGS is continuing to work on the COVID response and continuing to make emergency purchases. DGS is ensuring vendors are delivering in a proficient and timely manner. California has fared very well when it comes to the validity of the products we are procuring. We are continuing to reach out to SB/DVBEs when it comes to procuring around COVID. Angela spoke to the emergency registry for SB/DVBEs with estimated completion by the end of 2020. This registry will cater to SB/DVBEs and provide an opportunity for them to respond to natural emergencies in a very specific way. DGS is continuing to evaluate strategic goals, and what it will be able to accomplish. Teleworking will continue for the foreseeable future. The state just issued a new [telework website](#).

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 her office's work with the California Manufacturing Technical Association to promote Safely Making California at <https://www.safelymakingca.org/> and California COVID-19 Medical Supply Contributions site at <https://covid19supplies.ca.gov/>. Isabel shared that the governor has signed a few different bills directly impacting small businesses in California.

Carol Bangs, Chief of the Acquisitions Branch at DGS, presented on upcoming and current contracts and information on accessing the list of upcoming contracts from the DGS Procurement Division. Contracts still in development: tablets, recycled envelopes, IT consulting services and the National Association of State Procurement Officials (NASPO) auto parts. Advertisements for the contracts should be live within the next 45 days. It was requested by a member of the council that when updates are given in the future on open contracts, the contract close date should be included. Carol gave clarification on the IT consulting services MSA by explaining what it would look like to be awarded that contract: two years on a list of firms with base pricing. With this solicitation, the MSA team opens it back up for more bids after six months. If your business is already on the current MSA, you will need to renew and bid again.

Jordan Aquino, DGS Legislative Consultant, provided updates on proposed legislation potentially affecting small business and DVBE contracting. Due to COVID, the California Legislature has narrowed down their portfolios, but one bill has tracked through from last year. SB 588, Archuleta, was passed through the legislature and is now in front of Governor Newsom. This bill would withhold \$10,000.00 from prime contractors that stated DVBE usage but had not turned in certification confirmation to the awarding department. On September 11, this bill was signed by the Governor.

Committee updates were given by committee chairs Shaila Rao Mistry, Mike Daniel, and Phil Vermeulen.

Shaila Rao Mistry, Processes Committee, presented on their six main areas of focus:

- Simplifying the Master Service Agreement and California Multiple Award Schedule process
- Cal eProcure process
- Competitive bidding
- Navigating opportunities for small businesses
- Payment terms and execution of terms
- Reviewing the 80 percent rule

Michael Daniel, Outreach Committee, presented on their three main areas of focus:

- Training and Programming – focus on longer term training rather than a one-time training
- Marketing – understanding what the current marketing efforts are from DGS and how to create messaging around small and micro businesses
- Creating Metrics/Dashboard – a dashboard to highlight the work and success of DGS with small businesses

Phil Vermeulen, Commercially Useful Function (CUF) Committee, expressed that there has been frustration about how there is a lot of program abuse. Their four main areas of focus will be:

- Accessing fee from each of the contracts for third party enforcement
- Better education on CUF for new businesses
- How to incorporate “under penalty of perjury” on contracts
- Push forward with heavier laws surrounding CUF, more penalties and/or fines when a violation is made

Matt Zweier, OSDS Outreach Liaison, provided an update presented on the new SBAC SharePoint site. This site is not meant to be an active work center, but a storage place for things already done. Individual members will have author access to folders for the committee they are a part of and viewing access for all folders.

Jermaine Carter-Gibson, OSDS Outreach Liaison, provided an update on the work of the Business Outreach unit:

- Daniel Rosinsky-Larsson is no longer with DGS, please direct all future SBAC communications to DGSSBCouncil@dgs.ca.gov
- Reminder: please fill out the SBAC survey that was sent to all members
- The launch of a three-part webinar series to better serve the SB/DVBE community during COVID-19
- Training materials updates on the DGS [How to do Business with the state of California](#) resources page

Anda Draghici, OSDS Branch Chief, presented on certification updates, the bidder declaration form update efforts, and the FY 2018-19 CAR SB (including Micro) and DVBE participation. DGS is granting automatic certification extensions to SB/DVBEs whose certifications expire between September 2020 and May 2021 to alleviate some of the COVID impact for the certified firms. The bidder declaration form is now being consolidated with the CUF form.

[The FY 2018-19 CAR is posted to DGS website.](#) Highlights include:

- The state awarded \$10.5 billion to SB/DVBE, 25% higher than FY 2017-18
 - Increase was largely attributed to emergency purchases
- Met DVBE participation goal for 11th year in a row, at 3.23%
- Did not meet SB participation goal, at 20.53%
- This was the first year when reporting for the SB option and DVBE option awards was separated, as follows:
 - SB option: \$357 million in 9,500 contracts
 - DVBE option: \$46 million in 1,900 contracts

Teresa Macias-Ruiz, OSDS Outreach Liaison, reviewed the new action items created by the discussion at this meeting. They are:

1. PD Outreach Team to look at existing educational material for the vendor community regarding CUF.
2. CUF Committee will provide examples of CUF program abuse.
3. Send meeting attendees an example of the system-generated SB/DVBE Subcontractor Email Notification.

Carry forward action items from previous meetings:

1. DGS will evaluate whether a “cheat sheet” can be developed between the NAICS and UNSPSC code sets.
2. Bidder declaration/CUF form project.
3. The Processes Committee will continue to develop specific recommendations for simplifying the MSA process.

During the public comment period Mack Ross, Compliance Director for the California Black Chamber of Commerce (CBCC), expressed agreement that compliance enforcement is an issue. Moving forward, Mack will be the primary representative for CBCC and plans to be a strong voice for compliance. Mack would like to see a disparity study done regarding state contracting and he would like to see more time allocated for public comment.

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