

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

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

**Date:** Wednesday, September 3, 2025

**Time:** 1 – 4 p.m.

**Location:** The Ziggurat, 707 3<sup>rd</sup> Street, West Sacramento, CA 95605 and Zoom

**Meeting Facilitator:** Angela Shell, Deputy Director, DGS SBAC Co-Chair

**Recorder:** Chad Wright, Business Outreach Liaison, Office of Small Business and DVBE Services (OSDS)

The regular quarterly meeting of the SBAC was called to order by Co-Chair Angela Shell at 1:03 p.m. Attendance was taken, and a quorum was present. Angela reviewed the agenda.

**Meeting Minutes and Past Action Items**

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Lori Kammerer motioned, and Don Stoneham seconded to approve the June 4, 2025 meeting minutes. The motion passed without objection.

Matthew Zweier, OSDS Business Outreach Manager, reviewed action items from the June 4, 2025, meeting.

1. Phil Vermuelen, council member, to provide examples of canceled DGS contracts to OSDS. (In progress)
2. DGS to explore having a presentation on HUB Zone at the next council meeting on September 3, 2025.
3. Jennifer Cortes, council member, will send her question regarding military spouses and DVBE certification to OSDS. (In progress)

**DGS Updates**

Angela Shell, SBAC Co-Chair and Deputy Director, Procurement Division (PD) provided an update and reminders on DGS activities.

1. The 1<sup>st</sup> DGS SB/DVBE Training Cohort launched after two years in development. Ten weekly sessions cover marketing to the state, commercially useful function, leveraged procurement agreements (LPAs), CMAS, SB/DVBE Option, Prompt Payment, departmental contracts, and other state procurement topics. The cohort is expected to conclude by the end of September.

2. Marquita Thomas, CA LGBTQ Chamber of Commerce, has joined as a new member of the SBAC. She brings decades of experience in inclusive economic development and will be assigned to a committee.
3. Ann Krishnan, a former member with CAK International, has passed away. DGS offers condolences to her family.
4. December 3, 2025, will be the final meeting of the current 2-year council strategic planning cycle. Committee chairs are expected to report on accomplishments and progress toward strategic goals. Strategic planning for the next cycle will begin in March 2026.
5. DGS has released a new regulatory revisions package. It is in public comment period until midnight October 3. A public hearing will also take place on October 3. The proposed revisions include incorporating legislative requirements in AB 2019 and AB 2976, extending the SB/DVBE certification period from 2 to 3 years, allowing departments to designate, advertise and award specified competitive procurements solely to certified SBs, up to \$3.5 million.

### **Member Questions and Comments:**

**Member question:** Are the training courses recorded and available to review?

**Reply:** The initial cohort is a pilot, so this group of trainings are not recorded for dissemination. Future training may be recorded and published online so that users can view them on their own schedule.

**Member question:** Does the higher threshold contracting include DVBE?

**Reply:** No, it is only SB.

**Member question:** What is the proposed higher threshold?

**Reply:** \$3.5 million

**Member comment:** The proposed regulatory reforms are excellent news for small business.

**Member question:** How would departments determine which contracts to use for SB contracting thresholds?

**Reply:** Criteria, such as the availability of SBs to perform the work, past performance, etc., are included in the proposed regulatory text. The proposed SB contracting threshold will be fully competitive among certified SBs and advertised, unlike the SB/DVBE Option, which is technically not competitive because only two quotes are required, and for which advertisement is encouraged but not required.

**Member question:** Is this a mandate?

**Reply:** No, it's an optional tool for departments to assist their efforts to meet their 25% SB participation goals.

**Member question:** Is there a name for the proposed new SB procurement method?

**Reply:** No, not yet.

### **HUB Zone Update**

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Mike Sabellico, Regional Director, San Diego-Orange-Imperial APEX, presented on [HUBZones](#).

1. Historically Underutilized Business (HUB) Zones are based on census data.
2. There is a 3% goal for HUBZone used by federal agencies.
3. To qualify:
  - a) Must be a small business according to SBA size standards
  - b) 51% ownership by U.S. citizen(s), Community Development Corp, Native Hawaiian organization or Native American tribe
  - c) 35% of the workforce must reside within a HUB Zone
  - d) Company headquarters must be within a HUB Zone
4. HUBZone changes in 2025 are:
  - a) HUBZone certification is on same MySBA loan portal as other federal certifications
  - b) Three-year certification
  - c) Must be certified when bid/offer is submitted
5. HUBZone maps will be updated in 2026, currently using 2023 map
  - a) Primary factor to determine HUBZone eligibility – employees and company headquarters being in HUBZone area
  - b) [HUBZone Map](#)
  - c) [HUBZone Calculator](#)
6. Apply at [SAM.gov](#)

#### **Questions or Comments:**

**Question:** If a company has multiple locations, how does that work?

**Reply:** HUBZone status is determined by the company headquarters only.

**Question:** How much can a HUBZone prime contractor subcontract?

**Reply:** The HUBZone prime must perform 51% of the work.

**Question:** There are many challenges to qualifying and maintaining HUBZone certification. Can you speak to those?

**Reply:** It is the most challenging certification to acquire because of the 35% employee HUBZone residency requirement. Three-year certification helps. However, many companies that do it have been very successful.

**Question:** Is the 35% HUBZone employee residency requirement for any HUBZone or does it need to be the same HUBZone where the company is located?

**Reply:** It's any HUBZone.

**Question:** Is HUBZone an advantageous tool for a small business to start or grow?

**Reply:** It's a great certification, but the challenge is tracking employee residency and documentation.

**Comment:** Review the HUBZone map if you're considering this certification. It is a great certification which I use with the Dept of Defense. I highly recommend it.

## CalVet Update

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Mike Iadorola, Chief Veteran and Community Engagement, presented the California Department of Veterans Affairs (CalVet) updates.

1. Jaime Jones has accepted a new position reporting to the CalVet Secretary and Roberto Herrera will be the interim boss.
2. CalVet conducted 20 visits with state departments in collaboration with DGS/OSDS regarding DVBE contracting goals.
3. CalVet will be conducting a survey of DVBE Advocates regarding experiences, challenges, success to share across all departments.
4. CalVet will be conducting a survey of certified DVBEs based on the DVBE Advocate survey.
5. Reviewing SBA's databases of Service-Disabled Veteran-Owned Businesses and Veteran-Owned Businesses to make sure California veteran business owners are aware of CalVet services and benefits.
6. CalVet will participate in the Veterans In Business (VIB) Conference on November 12 and 13.
7. CalVet participated in a community event for LGBTQ service members that are separating from military service to make sure they are aware of their benefits and the DVBE certification for business owners.

### Member Questions or Comments:

**Question:** How much outreach have you done within DGS to connect with veteran owned businesses, so they know their benefits?

**Reply:** Our goal is to make sure we connect with all veterans so that they know of the resources that are available to them. DGS shares resources with CalVet regarding DVBE certification and procurement opportunities with the state.

**Question:** How can or does CalVet do outreach to women veterans business owners?

**Reply:** CalVet has a women veterans division that focuses on issues specific to women.

## CalOSBA & Go-Biz Update

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Diane Lydon, Assistant Deputy Director, Equity in Procurement and Northern California Regional Advisor, California Office of the Small Business Advocate (CalOSBA), within the Governor's Office of Economic Development (GoBiz) presented the following updates.

- 1 The Equity in Procurement report has been completed but not finalized. New submission forms and guidebooks were created. There was confusion as to whether AB 2019 required various departments to designate a Small Business Liaison (SBL). There were 38 Small Business Liaisons, now there are 130 across 100 departments with 50 departments still without an SBL. 80% of SBLs are also SB/DVBE Advocates.
  - a) Small Business Liaison Convened in July. 385 invitations, 94 registered, and 80 SBLs attended, representing 68 departments and 60% of the SBLs.

- 2 SCALE (Success, Capital Access, Leadership for Entrepreneurs).
  - a) Technical Assistance Providers (TAP) Grant Program - \$23 million in annual funding, received 82 applications for FY 2025-26, awards will go out in October.
- 3 Accelerate California; 13 Inclusive Innovation Hubs supporting underrepresented entrepreneurs.
  - a) Innovation Award Grants - \$6.5 million in grants available to small businesses participating in educational programs offered by an Accelerate CA Hub and nominated by the Hub, 37 grants applications received, \$1.5 million has been awarded.
- 4 GoBiz Grant Funding
  - a) California Jobs First - \$80 million awarded in Regional Investment Initiative, \$15 million awarded in Tribal Investment Phase for 14 different projects.

### **Member Questions or Comments:**

**Member question:** Please clarify the difference between a small business liaison and a small business advocate?

**Reply:** SB/DVBE Advocates work with certified firms and on specific procurements/contracts listed on the DGS website, while liaisons work with all small businesses based on [Government Code 11342.610](#) definition of small businesses. DGS published the "[In Focus Summary of Recent Legislation Impacting SB/DVBE and State Strategies](#)" that clarifies the different responsibilities.

**Member question:** Are the innovation award grant for the Hub or the businesses?

**Reply:** The innovation award grants are for the businesses implemented through Accelerate CA Hubs.

**Member question:** Are the innovation award grants offered on a rolling basis?

**Reply:** Yes. The Hubs nominate a business after completing a cohort training program. Award grants range between \$25,000 to \$75,000.

**Member question:** How can someone get involved in the SCALE program?

**Reply:** It's an annual program; the next application cycle will be announced in July 2026.

**Member question:** What is the communication strategy from GoBiz/CalOSBA on announcing deadlines and due dates for grant programs?

**Reply:** The issue will be taken under advisement, and we will talk with leadership.

**Member question:** Is the Small Business Liaison list published?

**Reply:** The list is published on the CalOSBA website: [https://calosba.ca.gov/wp-content/uploads/SB\\_Liaison\\_Directory-updated-08-05-2025.pdf](https://calosba.ca.gov/wp-content/uploads/SB_Liaison_Directory-updated-08-05-2025.pdf)

### **Legislative Update**

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Corrina Roy, Legislative Consultant, DGS Office of Legislative Affairs provided an update on three pieces of legislation DGS is tracking.

**AB 265 (Caloza): Small Business Recovery Act Fund**

This bill would create a small business recovery fund administered by CalOSBA. It would provide grants to small businesses directly impacted by a declared state of emergency proclaimed by the governor or local government. Grants would range from \$2,500 to \$100,000. CalOSBA would need to submit a report to the legislature for the grants awarded under each emergency proclamation. The bill would sunset in 2032.

**AB 381 (Stefani): State Contracts: certification process: forced labor and human trafficking**

This bill would expand the “Sweat free Code of Conduct” in the Public Contract Code, and requires a contractor to certify that any apparel, garments, accessories, equipment, materials or supplies furnished pursuant to a state contract have been not laundered nor produced using sweatshops, forced labor, convict labor, or child labor, among other things.

This bill would expand upon that and require a contractor to certify, on behalf of themselves, employees, subcontractors and subcontractor employees and their agents, that none of these persons are engaging in forms of forced labor or human trafficking, as specified. It further requires the contractor to certify they are not denying employees access due to their identity or immigration documents, nor using misleading or fraudulent practices during the recruitment of employees, as specified.

This bill was held on suspense in the Senate Appropriations Committee. The bill could be moved forward next year but typically bills held on suspense are considered dead.

**SB 70 (Seyarto): Public contracts: Small Business Procurement & Contract Act**

This bill would amend the Act to increase the contract value amount that small-, micro-, or disabled veteran-owned businesses would be eligible to compete for (known as the “SB/DVBE Option”) from between \$5,000 to \$250,000 to up to \$350,000. It would also direct General Services to tether the maximum contract value to the California Consumer Price Index and review the amount biennially in order to ensure the maximum contract value keeps pace with inflation.

This bill was held on suspense in the Assembly Appropriations Committee. The bill could be moved forward next year but typically bills held on suspense are considered dead.

**Member Questions or Comments:**

None

**Procurement Updates - Acquisitions**

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Carol Bangs, Chief, Acquisitions Branch, DGS Procurement Division, provided the following updates.

1. Upcoming Leveraged Procurement Agreements (LPAs):

Award Type	Solicitation Title/Description	Contact Email	SB Preference, DVBE Requirement/Incentive	Advertisement link to CSCR
Statewide	Inclement Weather Protective Ensemble (IWPE)	<a href="mailto:frank.martin@dgs.ca.gov">frank.martin@dgs.ca.gov</a>	In Development	Upcoming
MSA	Temporary Healthcare Staffing Services	<a href="mailto:lynnell.cuthbertson@dgs.ca.gov">lynnell.cuthbertson@dgs.ca.gov</a>	In Development	Upcoming
Statewide	Cooking Fats (Margarine, Shortening)	<a href="mailto:ashley.lockwood@dgs.ca.gov">ashley.lockwood@dgs.ca.gov</a>	In Development	Upcoming
MSA	Unarmed Security Guard Services	<a href="mailto:Kieu.Huynh@dgs.ca.gov">Kieu.Huynh@dgs.ca.gov</a>	In Development	Upcoming
Statewide	Envelopes, Recycled Paper	<a href="mailto:willie.orphe@dgs.ca.gov">willie.orphe@dgs.ca.gov</a>	In Development	Upcoming
Statewide	CHP Handguns	<a href="mailto:robb.parkinson@dgs.ca.gov">robb.parkinson@dgs.ca.gov</a>	In Development	Upcoming
Statewide	Paint, Recycled Latex	<a href="mailto:jason.vu@dgs.ca.gov">jason.vu@dgs.ca.gov</a>	In Development	Upcoming
Statewide	Milled Rice	<a href="mailto:brooklin.corrales@dgs.ca.gov">brooklin.corrales@dgs.ca.gov</a>	In Development	Upcoming

Small businesses are encouraged to monitor solicitations and reach out to contract administrators for clarification.

### Member Questions or Comments:

None

### OSDS Program Updates

Mariela Whyte, OSDS Business Outreach Liaison, DGS Procurement Division, provided the following updates:

1. Certification Updates (as of 8/15/25):
  - a) There are 20,221 certified firms (including duals/triples) with 17,874 SB-Micro certifications, 2,347 SB-only certifications, 5,571 SB-PW certifications, 2,131 DVBE certifications, and 2 NVSA certifications. There are 244 NP recognitions. Certified firms can have multiple certifications. SB-PW breakdown by other cert types:
    - a. SB-PW only – 1,003 (GARS up to \$43 million)

- b. SB-PW & SB Micro – 3,925 (GARS up to \$6 million)
  - c. SB-PW & SB (non-Micro) - 439 (GARs up to \$18 million)
- 2. Compliance Updates (as of 8/15/25):
  - a) There are 35 program abuse open cases, 46 certification compliance reviews under evaluation, and 1 certification appeal being processed.
  - b) OSDS processing time for applications waiting to be reviewed by staff is between one to two days.
  - c) Bid Due Date (BDD) expedited requests must be received no later than the same day applications are submitted.
- 3. Notice of Proposed Regulation Changes:
  - a) OSDS' proposed regulations for AB 2019 and AB 2974 were posted in the Notice Register on August 15. Public Comment Period: August 15, 2025 - October 3, 2025. Scheduled Hearing Date: October 3, 2025.
  - b) Comments can be submitted by facsimile at 916-375-4950 or [SBDVBERegulations@dgs.ca.gov](mailto:SBDVBERegulations@dgs.ca.gov).
  - c) DGS will host an online virtual public hearing via Zoom from 9:30 to 11:30 a.m. on October 3, 2025, at <https://us06web.zoom.us/j/82717892290>.
- 4. SB/DVBE Training Unit Updates:
  - a) SB/DVBE Cohort Training classes began July 23. Class topics include, but are not limited to, Leverage Procurement Agreements, SB/DVBE Option with Fair and Reasonable, Departmental Contracting and California Multiple Awards Schedule.
  - b) Current stand-alone classes include, Solving the Marketing Mystery: The 5 W's – (Session 1) and Strategies for How to Market to the State (session 2), Understanding State SB/DVBE Commercially Useful Function, and The ABC's of Environmental Preferable Purchasing for SB/DVBE's, all of which can be found on the Training Unit's webpage: [SB/DVBE Training](#)
- 5. Advocacy Program Updates:
  - a) The Advocacy section continues to meet with departments that have not accomplished one or both of the SB/DVBE participation goals or have established a history of not reaching these goals. Recommended action items for these departments include:
    - i. Adopting a SB/DVBE First Policy.
    - ii. Sending UNSPSC codes for contracts where departments have difficulty locating certified SB vendors.
    - iii. Contacting large vendors to ask what they can do for the SB/DVBE community.
    - iv. Looking for more subcontracting opportunities on new solicitations.
    - v. Increasing support of advocate's roles and responsibilities.
  - b). The Advocacy section recently launched the Advocacy Partnership Program pairing Advocates from departments that are meeting SB and DVBE goals with advocates of departments that are not meeting either or both goals. This is a six month mentorship program to give less experienced advocates more skills and knowledge to more effectively meet the SB and DVBE goals.
- 6. Outreach Updates:
  - a) In the last quarter, 44 outreach events in total; 37 in-person, and 12 virtual events. Some organizations we teamed up with include:
    - i. Asian Business Association of Orange County
    - ii. California Black Chamber of Commerce

- iii. California High Speed Rail Authority
  - iv. El Clasificado
  - v. Metropolitan Water District of Southern California
  - vi. Nor-Cal Apex Accelerator
  - vii. Northern California Small Business Development Center
  - viii. North San Diego Small Business Development Center,
  - ix. Orange County Inland Empire Small Business Development Center
  - x. U.C. Davis
  - xi. Southwest Veterans' Business Resource Center
- b) Upcoming events (partial list):
- i. Caltrans North Region Procurement Fair – October 8
  - ii. Confia Rural in Mendota, Fresno Hispanic Foundation - October 15
  - iii. 14<sup>th</sup> Annual Veteran and Small business Trade Show with Southwest Veterans Business Resource Center (SWVBRC) – October 16
  - iv. Women Leading the Way with San Gabriel Valley Chamber of Commerce - October 16
  - v. The Connecting Point with Sacramento Public Agency Consortium – October 23
  - vi. 2025 Latina BizCon with National Latina Business Women Association - Inland Empire Institute – October 30
  - vii. Pathways to Procurement: Small Business Certifications with Small Business Administration – November 11
  - viii. Government Contracting - Contratación con el Gobierno with Central Valley Immigrant Integration Collaborative – November 12
- c) Workshops and Webinars (partial list)
- i. CPUC Small and Diverse Business Expo with California Public Utilities Commission – October 7
  - ii. How to Do Business with the State of California – October 15
  - iii. Small Business Expo – San Marcos with San Diego, Orange, Imperial APEX Accelerator – October 16
  - iv. How to Certify as a SB or DVBE for State Contracting with Sacramento Builders Exchange – October 21
  - v. MetWorks Program with Sacramento Public Agency Consortium – October 23
7. OSDS Communications:
- a) LinkedIn 2nd Quarter regular Series Posts:
    - i. Tuesday Essentials – Posts offer tips, how-to resources, and advice
    - ii. Watchlist Wednesdays – A listing of upcoming events
    - iii. Other Post Types: Solicitations, Selected Events, Reposts, e.g., CalOSBA and resource partners
  - b) GovDelivery email communications:
    - i. Invitations to OSDS Next Steps to State Contracting webinars
    - ii. Invitations to HCCO ideas forum
8. Joann Patty is now a Business Outreach Manager in the Outreach Unit in OSDS.

Events calendar at <https://www.dgs.ca.gov/PD/Events>

Follow OSDS on LinkedIn at: <https://www.linkedin.com/company/dgs-osds>

### **Member Questions or Comments:**

**Member question:** When will the next cohort training session begin?

**Reply:** It may not be provided in a live 'cohort' set-up because we learned from this cohort how difficult can be for businesses to commit to a specific weekday and time for several weeks. However, the training will be delivered again and available online in a sequential series that businesses can take on their own schedule.

**Member question:** How many businesses are participating in the cohort?

**Reply:** The cohort started with 25, approximately 10 participated in each session, while only four were able to attend all sessions, working with the others to make up the missed classes.

## **SBAC Committee Updates**

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### **Procurement Processes Committee**

Charlotta Carter, Chair, presented the committee report.

- The committee has created simplified templates for RFP language and anticipates providing it soon.
- One of the advocate groups is taking on prompt payment questions from the prime to the subcontractor, pulling from the approach used in public works.
- DGS provided information and onboarding materials for new SBAC members. This committee is reviewing it and will provide feedback.
- Exploring Caltrans mentor-protégé model. The Subcommittee has received the Caltrans program language and is reviewing it.

### **No Member Questions or Comments**

### **Outreach, Marketing, Education and Training Committee**

Merv Cutler, Chair, presented the committee report.

Peer-to-peer program: Emphasized need for incentives and legislative support. Believe best way to improve education for small businesses is through the mentor/protégé program.

- The committee is working to strengthen small business community through peer-to-peer training.
- Highlighted challenges in navigating state procurement processes.
- Emphasized the need for more educational programs and training courses to assist small businesses and DVBES.

### **Member Question or Comment:**

None.

## **Commercially Useful Function Committee**

Lori Kammerer, Co-chair presented the committee report.

- Construction and Non-IT Goods seem okay regarding CUF requirements.
- The committee is exploring contracting and pass-through issues for IT services.
- The CUF committee requested CUF training for the subcommittee meeting on September 26.

### **Member questions and comments:**

None

## **Review of New Action Items**

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Matthew Zweier, OSDS Business Outreach Manager, presented the new action items.

1. OSDS will work with CalVet to get factsheet, brochures, and other materials that detail CalVet's services for veteran and disabled veteran business owners and provide those materials to the council members. (In process)
2. OSDS will provide council members with the link/location to make a public comment for the OSDS notice of proposed rulemaking. (Sent 9/12)
3. OSDS will send the council members the In-Focus Legislative Handout document. (Sent 9/12)
4. OSDS will work with the CUF Committee to explore having the CUF Committee members take the CUF training OSDS offers. (Sent 9/17)
5. Diane Lydon, CalOSBA, will follow up with CalOSBA leadership on their communication strategy to make various CalOSBA and GO-Biz programs known to small business communities. (In process)
6. OSDS to provide CUF Training for the CUF committee on September 26.(Completed 9/23)

## **Public Comment**

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**Question:** from Peter Carruth, regarding proposed changes for small business procurement, how does that apply to firms that are also DVBE?

**Reply:** It will be only a small business award; it will not be based on DVBE certification.

**Question:** from Peter Carruth, where can one locate the Small Business Liaison list?

**Reply:** It is published on the CalOSBA website, [https://calosba.ca.gov/wp-content/uploads/SB\\_Liaison\\_Directory-updated-08-05-2025.pdf](https://calosba.ca.gov/wp-content/uploads/SB_Liaison_Directory-updated-08-05-2025.pdf)

## **Adjournment**

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1. The next quarterly meeting scheduled for December 3, 2025, will be hybrid on Zoom and in-person at the DGS Ziggurat (707 3<sup>rd</sup> Street, West Sacramento, CA 95605). Please come in person.
2. A motion to adjourn was made by Lori Kammerer and seconded by the entire council.
3. The meeting was adjourned at 3:19 p.m.