

California Department of General Services (DGS)

Small Business Advisory Council (SBAC) Meeting Minutes

Date: Wednesday, December 3, 2025

Time: 1 – 4 p.m.

Location: The Ziggurat, 707 3rd Street, West Sacramento, CA 95605 and Zoom

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

Recorder: Teresa Macias-Ruiz, Bilingual 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 1:04 p.m. Attendance was taken, and a quorum was present. Angela reviewed the agenda.

Meeting Minutes and Past Action Items

Merv Cutler motioned and Andrew Chang seconded to approve the September 3, 2025, meeting minutes. The motion passed without objection.

Matt Zweier, OSDS Business Outreach Manager, reviewed action items from the September 3, 2025, meeting.

1. OSDS worked 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. (Sent 10/30/25)
2. OSDS provided council members with the link/location to make a public comment for the OSDS notice of proposed rulemaking. (Sent 9/12/25)
3. OSDS sent the council members the [In-Focus Legislative Handout](#) document. (Sent 9/12/25)
4. OSDS worked with the CUF Committee to explore having the CUF Committee members take the CUF training OSDS offers. (Completed 9/17/25)
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 provided CUF Training for the CUF committee on September 26. (Completed 9/23)

DGS Updates

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

1. Matt Bender, Deputy Director, DGS office of Legislative Affairs, passed away in mid-September. He occasionally presented to the Council. He made significant contributions to DGS and the state of California. DGS feels his impact each day, and he will be missed.
2. The Council is at the end of the two-year session. DGS will conduct a strategic planning meeting on March 4, 2026. The quarterly council meetings for 2026 will take place on June 3, September 9, and December 2.
3. Departmental Purchasing Authority Transparency
 - a) All departments, including DGS, have been looking at ways to make state procurement better.
 - b) DGS consolidated the delegated [purchasing authority tiers](#) from four to three tiers, and every department in the first tier got an increase in their delegated purchasing authority.
 - i) Purchasing tiers are published on the DGS website.
 - ii) Vendors can check departmental authority for direct procurement.
 - c) DGS One-Time Acquisitions Unit handles procurement if the dollar amount exceeds the department's purchasing authority.
 - d) All tier-one departments can do the SB/DVBE Option without coming to DGS.
 - e) Fair and reasonable - threshold increased from \$10,000 to \$20,000.
 - i) Allow state departments to procure without full competition under \$20K.
 - ii) Creates more opportunities for Small Businesses (SBs) and Disabled Veteran Business Enterprises (DVBEs) to start contracting with the state.
4. Expansion of Competitive Procurement
 - a) Changes to purchasing authority tiers resulted in departments with the lowest purchasing authority receiving an increase to their authority. Those departments can now conduct open market competitive procurements, where they previously could not. DGS anticipates this will increase the competitive procurement opportunities SBs and DVBEs see from state departments.
5. E-Marketplace Effort
 - a) Online punch-out catalog for state contracts.
 - b) Phase one launched mid-November with enhanced search functionality.
 - i) Allows state departments to search by item code that is in a contract by vendor, location, and to access attachments related to those contracts.
 - c) Cal eProcure remains active; e-Marketplace only supplements it and supports future online quoting (2026).
6. Efficiency Improvements in Bid Documentation
 - a) It will require both policy changes and potential legislation changes.
 - b) Working on reducing redundant documents in bids.
 - c) Goal is to consolidate or embed required documents into state standard terms and conditions to reduce paperwork during the bid process.
 - d) Objective is to avoid/prevent bid rejections due to missing legally required forms.
 - e) These changes are part of a broader push for efficiency and simplification, with more updates expected in 2026.
7. Upcoming Procurement Season

- a) The end-of-fiscal-year buying cycle is expected to begin around February–March 2026.
 - b) Departments will be reviewing budgets closely due to fiscal constraints, focusing on essential purchases.
 - c) The new purchasing authority tiers and SB/DVBE options will be more actively used during this time.
8. Working on finalizing the disparity study.

Member Questions and Comments:

Member question: Is there a process to submit ideas before the March meeting?

Reply: This will be taken as an action-item to look at and let members know.

Member comment: Multiple members, including Andrew Chang, Leslie Murdock, and Merv Cutler, praised the policy changes and efficiency efforts.

Member comment: It would help greatly if the forms could be done once for all bids.

Reply: This will probably not happen. There is no current infrastructure for a statewide repository. Legal requirements often mandate submission with each bid. Legislative changes would be needed, which take time (typically a year-long process).

Member comment: Suggest evaluating the TACPA (Target Area Contract Preference Act) program for relevance and effectiveness.

Reply: DGS is reviewing TACPA, focusing on clarifying legal language, simplifying processes and forms, and encouraging more bidders to utilize the program.

CalVet Update

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

1. CalVet hosted a Leadership Summit in early November with more than 200 attendees. Topics included legal aid, regional disparities, workforce development, and entrepreneurship.
2. CalVet sent a survey to 3,000 federally certified veteran business owners based in California. Results will inform efforts to expand the DVBE program and improve outreach.
 - a) Questions asked - Are you a certified DVBE, do you want to know about the DVBE certification, and do you have any questions about veteran benefits in the state of California?
 - b) No firm deadline, but responses are being collected over a few weeks.
3. State Agency Recognition Awards are coming up. Award criteria are being finalized and will be distributed soon.
 - a) John K. Lopez Awards – nomination deadline January 14, 2026.
 - b) Two categories - Business Excellence and Individual Excellence.

Member Questions or Comments:

Member question: Do you have deadlines for the survey and the John K. Lopez awards?

Reply: CalVet does not have a deadline for the survey. For the John K. Lopez awards, deadline January 14, 2026.

Member comment: Merv Cutler raised concerns about not receiving the survey despite being a certified veteran-owned business.

Reply: CalVet clarified the list was sourced from a federal SBA database. Michael offered to cross-reference and include missing contacts.

CalOSBA & Go-Biz Update

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) Technical Assistance and Innovation Grants
 - a) TAP (Technical Assistance Program) awards were announced in December.
 - b) CalOSBA gets funds every year but how much they get is dependent on what the legislature gives them.
 - c) CalOSBA awards funds to organizations that provide technical assistance to businesses.
 - d) TAP rebranded as "SCALE Network" for improved recognition.
 - e) \$23M awarded annually for technical assistance.
 - f) \$2.5M for innovation awards via Accelerate California Hubs.
 - i) These innovation awards are through the Accelerate California hubs and will be announced either in December or early January.
 - ii) These awards are for small businesses who have gone through the cohort program offered by the Accelerate California hubs.
- 2) Small Business Opportunity Grant Program (SSBCI federal grant) also forthcoming.
- 3) Pinnacle program to launch in 2026, offering cohort-based accelerator programs on procurement and capital access.
- 4) Equity in Procurement Highlights
 - a) AB 2019 requires departments to submit Economic Equity First Action Plans.
 - i) Plans outline strategies to meet/exceed 25% small business participation.
 - ii) Departments focus on streamlining solicitations, outreach to underserved communities, and collaboration.
 - b) Economic Equity First Action Plan Submissions
 - i) 67 submissions received from departments.
 - ii) 52% of the 128 expected Department Action Plans.
 - (1) There are 46 departments with unidentified liaisons.
 - (2) 93% of liaisons also serve as advocates, requiring extensive support.
 - c) Support through the process
 - i) Think small business Thursday emails
 - ii) Open Office hours
 - iii) 1:1 Discussions with Departments
- 5) Outsmart Disaster Program

- a) A resource for building business resiliency and preparedness for any business disruption.
- b) Offers co-branded books and training for organizations and municipalities.
- c) Train-the-Trainer program launching in 2026.
- d) Covers disruptions like roadwork, security breaches, and natural disasters.

Member Questions or Comments:

Member question: Where can CalOSBA's grant programs be found? The website the member is looking at does not display the grant programs.

Reply: Diane Lydon asked the council member to share the link to the website in question. Diane will work with DGS to send the councilmembers the links to CalOSBA's grant programs.

Member question: How do you get the grants?

Reply: The innovation awards grants are through Accelerate California Hubs. There are 13 hubs. You can contact the hub closest to you. You must go through their cohorts' programs. The 13 hubs nominate businesses for the grants and the acting director for CalOSBA reviews them.

Member question: Are the grants awarded ongoing, once a year, or some other way?

Reply: These grants were for this year. Each hub was given \$500,000 to provide to businesses that are part of their hub.

Member question: You are saying businesses need to reach out to the accelerate CA Hubs in our area but if the hub in our area has nothing to do with our field, how are you addressing that?

Reply: Diane will reach out to answer question directly.

Legislative Update

Corrina Roy, Legislative Consultant, DGS Office of Legislative Affairs, could not attend. Angela provided the update.

AB 265 (Caloza): Small Business Recovery Act Fund

1. AB 265 proposed the Small Business Recovery Fund Act.
2. Intended to provide grants (\$2,500 to \$100,000) to small businesses impacted by declared state emergencies.
3. CalOSBA would have managed the fund, with 90% of appropriated funds going to grants.
4. The bill was vetoed by the governor due to concerns about creating an unfunded grant program during a state shortfall.

Member Questions or Comments:

None

Procurement Updates - Acquisitions

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	Herbicides and Insecticides	amanda.lewis@dgs.ca.gov	Yes	Incentive Only	Event ID 0000035714
Statewide	Fire Apparatus, Type 3 Wildland	melissa.delrio@dgs.ca.gov	In Development	In Development	Upcoming
MSA	Temporary Healthcare Staffing Services	lynnell.cuthbertson@dgs.ca.gov	Yes	N/A	Event ID 0000035292
Statewide	Cooking Fats (Margarine, Shortening)	ashley.lockwood@dgs.ca.gov	In Development	In Development	Upcoming
MSA	Unarmed Security Guard Services	Kieu.Huynh@dgs.ca.gov	Yes	N/A	Event ID 5259945
Statewide	Envelopes, Recycled Paper	willie.orphe@dgs.ca.gov	In Development	In Development	Upcoming
Statewide	Tablets RFP	eugene.shermereko@dgs.ca.gov	Yes	Incentive Only	Event ID 0000035538

Statewide	Dry Bakery Mixes	jennifer.balluch@dgs.ca.gov	In Development	In Development	Upcoming
Statewide	Signs	jamie.boes@dgs.ca.gov	In Development	In Development	Upcoming
Statewide	Bulldozers	willie.orphe@dgs.ca.gov	In Development	In Development	Upcoming
Statewide	EVSE Portable Chargers	eugene.shermereko@dgs.ca.gov	In Development	In Development	Upcoming
Statewide	De-icing Road Salt	jason.vu@dgs.ca.gov	In Development	In Development	Upcoming

These are regularly updated and posted on our [DGS Procurement Division](#) website under Upcoming Solicitations.

Member Questions or Comments:

None

OSDS Program Updates

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

1. OSDS Certification Updates (as of 11/14/25):
 - a) Count of Certified Firms (as of 11/14/25):
 - i) Total of 21,891 certified firms in Cal eProcure database (includes duals/triples).
 - 18,141 SB-Micros (GARS up to \$6 million)
 - 2,319 SB (GARS up to \$18 million)
 - 5,821 SB-PW
 - 1,003 SB-PW only (GARS up to \$43 million)
 - 2,170 DVBEs
 - 262 Non-Profit
 - 3 Non-Profit Veteran Service Agency
 - b) Compliance Updates (as of 11/14/25):
 - i) 46 active SB program abuse cases
 - ii) 47 active SB compliance reviews
 - c) Hands-on certification workshops

- i) The certification team completed 25 hands-on certification workshops with 460 participants and 229 firms certified on site.
 - d) Application Processing
 - i) OSDS processing time for applications waiting to be reviewed by staff is 1 to 2 days.
 - e) Bid Due Date (BDD) Expedite Requests
 - i) Reminder that requests for expedited application processing for bid due dates must be received no later than the same day applications are submitted.
 - f) SB/DVBE Regulation Package
 - i) OSDS's proposed regulation are under review. Public comment process was posted in the Notice to Register on August 15th. The public comment period ran from August 15 to October 3 and concluded with a public hearing on October 3. Next step is submittal to Department of Finance and Office of Administrative Law.
 - ii) More information available at: [Notice of Rulemaking Regulations for SB, DVBE.](#)
- 2. OSDS Training Updates
 - a) SB/DVBE Program Compliance Training for state departments
 - i) On December 2, a 90-minute compliance training was provided for 670 state procurement staff and SB/DVBE advocates on DVBE substitution, the state's commercially useful function rules and compliance program abuse.
 - b) SB/DVBE Procurement Cohort Training
 - i) [OSDS Training Unit](#) completed its DGS strategic goal: support certified businesses with limited or no contracting experience with California state contracting.
 - ii) Recent success
 - Delivered 8 cohort training sessions in 10 weeks – Spring/Summer 2025
 - Second SB/DVBE Training schedules and content availability coming soon for 2026.
 - Upcoming 90-minute Standalone courses:
 - Leverage Procurement Agreements Bidding Training (1/22/2026).
 - Fair and Reasonable and SB/DVBE Option Acquisition Methods (2/5/2026).
 - Completing the California Multiple Awards Schedule Application (2/19/2026).
 - Understanding Departmental Contracts – Two parts (3/5/2026 and 3/12/2026).
- 3. OSDS Statewide Advocacy Program Updates
 - a) Consolidated Annual Report is currently being finalized. Details cannot be shared yet, but the Fiscal year 2024-25 was strong with more than \$3 billion awarded to small businesses and more than \$800 million awarded to DVBEs.
 - i) This year the report will include remedial actions for departments not meeting SB and DVBE goals for the last three years, as required by AB 2019. Remedial actions are being finalized and will be set forth in the 2024-25 CAR report as required by law.
- 4. OSDS Outreach Updates
 - a) In the last three months, OSDS conducted and/or participated in 65 outreach events in total, of which 36 in-person and 21 virtual. Organizations OSDS teamed up with include:

- Asian Business Association of Orange County
- California Black Chamber of Commerce
- California Department of Insurance
- California Public Utilities Commission
- California Tribal Chairpersons' Association
- California High Speed Rail Authority
- Diversity Biz Forum
- El Clasificado
- Los Angeles Area Chamber of Commerce Foundation
- Metropolitan Water District of Southern California
- National Latina Business Women Association - Inland Empire Institute
- Nor-Cal Apex Accelerator
- Northern California Small Business Development Center
- North San Diego Small Business Development Center
- Orange County Inland Empire Small Business Development Center
- San Francisco Filipino American Chamber of Commerce
- Sacramento Municipal Utility District (SMUD)
- Sacramento Public Agency Consortium (SacPac)
- San Diego Airport
- San Diego Orange Imperial Counties APEX Accelerator
- San Joaquin Public Agency Consortium (SJPac)
- Small Business Administration
- Small Business Diversity Network
- Small Business Majority
- Southern California Virtual Business Center
- Southwest Veterans' Business Resource Center

b) Upcoming events:

- i) January 16 & January 23: Next Steps to Contracting with California State Government & I'm Certified Now What? – Department of General Services.
- ii) January 21: Crecimiento de pequeñas empresas por medio de contrataciones con el Estado de California - Central Valley Women's Entrepreneur Center.
- iii) January 22 - How to do Business with the State of California - Pacific Asian Consortium in Employment (PACE).
- iv) February 1: CAPPO2026, California Association of Public Procurement Officials (CAPPO).
- v) February 6: The Sky's the Limit Luncheon 2026, Regional Hispanic Chamber of Commerce.
- vi) February 10: DGS Certification Workshop Los Angeles Latino Chamber of Commerce.
- vii) February 19: 2026 Construction Industry Day, Western Regional Minority Supplier Development Council.
- viii) February 19: How to navigate through the California Multiple Awards Schedules (CMAS) Application - OSDS SB & DVBE Training Program.

- ix) February 20: How to do Business with the State of CA, Norcal APEX Accelerator.
- x) February 24: How to Do Business with the State of California, Pacific Asian Consortium in Employment (PACE).
- xi) March 18: California Supplier Diversity Symposium, Statewide Coalition on Diversity Initiatives and the City of Pasadena.

You can learn more details about these and all our events on the Procurement Division 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: Is there a breakdown for those agencies that continue to not make goal?

Reply: OSDS has data that shows which departments met and did not meet their goals in the CAR report. In the first quarter of 2026, the report will be available to view. Link to last fiscal year 2023-24 CAR report to be sent out.

Member question: Is there a breakdown of which businesses are getting these grants and with whom?

Reply: Grants are not monitored by DGS. DGS has procurement dashboards that show contract awards by department and business type. Link to the data dashboards will be sent to council members.

Member question: Can you separate the training DGS is doing for businesses versus for government employees?

Reply: DGS will consider this request.

7 SBAC Committee Updates

Procurement Processes Committee

Charlotta Carter, Chair, presented the committee report.

1. The committee worked on several issues over the past two years:
 - a) Explored concerns over incumbent favoritism in RFPs related to experience requirements.
 - b) The lack of incentives for prime contractors to subcontract with new businesses continues to be a challenge for businesses and a focus of this committee. The committee imagines a 2 – 3% incentive for net new businesses with primes could achieve this goal, though uncertain how to implement.
 - c) Explored reports from SBs of inconsistent prompt payment practices by state departments. Increased knowledge and education of the prompt payment process.
 - d) Recommended a centralized portal where businesses can store redundant documentation for the procurement process.

- e) Recommended changes to common insurance requirements on cybersecurity contracts. The cost of cybersecurity insurance requirements is too high for SBs.
 - f) Advocated for the need for great CMAS and MSA transparency – how to locate them and who is getting them.
2. Accomplishments:
- a) Proposed standardized templates for RFP.
 - b) Created onboarding materials for new SBAC members.
 - c) Invited the National Small Business Advocacy Group (NSBAC) to contribute to committee meetings. The NSBAC volunteered to be the go-to group for issues requiring legislature.
 - d) Made recommendations to DGS for improved payment systems. Need enhanced communication and education are needed to help understand the payment process in FI\$Cal.
 - e) Explored Caltrans' mentor-protégé model for adaptation and implementation at DGS and state departments more broadly.

Member Questions or Comments

Member comment: Leslie Murdock and Lee Cunningham praised Charlotta's leadership, advocacy, and dedication.

Member comment: Charlotta was recognized for her consistent efforts, research, and commitment to small business advancement.

Outreach, Marketing, Education and Training Committee

Merv Cutler, Chair, presented the committee report.

1. The committee worked on several issues over the past two years.
 - a) Prompt payment issues: SBs need to be trained in how prompt payment works. Primes not paying small business subcontractors continues to be a problem.
 - b) There is a need to identify niche state department procurement needs and building connections to businesses in those industries.
 - c) There was a need for a disparity study – Danetta Jackson headed that goal.
 - d) Foster peer-to-peer support: the best way to improve education for small businesses is through a mentorship program.

Member Question or Comment:

None.

Commercially Useful Function Committee

Lee Cunningham, Chair, presented the committee report.

1. The committee worked to resolve communication issues and improve procurement processes. The main goal was to improve problems related to Commercially Useful Function (CUF) and ensure clarity for buyers and small businesses.
2. Lori broke the committee into sections to make it easier to work on, i.e. IT, construction, etc.
 - a) Construction

- (i) minor clarifications were needed
 - (ii) all members were satisfied, and it was marked as complete.
- b) Non-IT Goods
 - (i) There were several issues, but Stephen Simpson organized and helped to resolve them.
 - (ii) Remaining issues were not related to CUF. These may be addressed next year, possibly by a different committee.
- c) IT Sector
 - (i) CUF was a major problem for buyers in IT.
 - (ii) Angela, Demeshia, Anda, and Matt provided critical support in identifying and solving problems.
 - (iii) Communication breakdown was a root cause—terms like “prime contractor” had different meanings across groups.
- 3. Bidder declaration
 - a) Shoba Malarapu, Savita Farooqui, Shila Mistry, Anda Draghici, and Demeshia Swanson collaborated to review and revise the Bidder’s Declaration. The final form is being submitted to Angela Shell.
 - a) Emphasis on proper in-service training and working groups for smooth implementation.
 - b) Committee believes changes will resolve previous problems.
- 4. CUF Committee has fulfilled its mission and completed its task of trying to figure out communications problems between the field, the small businesses and DGS.

Member questions and comments:

None

Review of New Action Items

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

1. DGS to explore a brainstorming process with the Council members in preparation for the March 2026 strategic planning meeting. (Pending)
2. DGS will share the nomination process for CalVet's John K. Lopez awards with the Council members when it becomes available. (Sent 1/16/26)
3. DGS shared links to CalOSBA's various grant programs and access to capital programs through the State Treasurer with the Council members. (Sent 12/11/25)
4. DGS sent the link to the [DGS Consolidated Annual Reports \(CAR\) webpage](#) to the Council members.(Sent 12/11/25)
5. DGS sent the link to the [Statewide Procurement Data Dashboards](#) to the Council members. (Sent 12/11/25)

Public Comment

Comments by Angela

1. Next year's [Supplier Diversity Symposium](#) will be March 18, 2026, in Pasadena. Register with the link above and share with your constituency.
2. Human Center Design - Working on making websites easier to access/find what you need.
3. FI\$Cal
 - a) Work is being done on making electronic payments to enable faster payment to businesses.
 - b) Work is being done on ability to use FI\$Cal for electronic invoicing.

Adjournment

1. The next meeting is the 2-year strategic planning meeting, and it is scheduled for March 4, 2026. It will be hybrid on Zoom and in-person at the DGS Ziggurat (707 3rd Street, West Sacramento, CA 95605). Please come in person.
2. The meeting was adjourned at 3:13 p.m.