



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

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

**Date:** December 18, 2018

**Time:** 10 a.m. - Noon

**Location:** Caltrans District 11, 4050 Taylor Street, San Diego, CA 92110

**Meeting Facilitator:** Angela Shell

**Recorder:** Matt Zweier

#### **Call to Order (if applicable)**

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Angela Shell started the meeting at 10:01 a.m. A quorum was present. Angela welcomed everyone to the meeting and began with introductions.

#### **Attendance**

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Members present in-person: Frank Louie, Jerry Bircher, Abdi Ahmed, Stephen Simpson, Rachel Fischer, Chris Chavez, Alfredo Danny Garza, Michael Daniel, Shaila Rao Mistry, William Osgood

Members present via webinar: Maria Solano, Julian Canete, Justin Adams, Don Stoneham, Ruth Bley, Paul Guerrero, Philip Vermeulen, Savita Farooqui, Lee Cunningham, Betty Jo Toccoli, Lori Kammerer, Sharon Brown

Members Absent: Mitch Anderson, Azizza Davis Goines

DGS Staff present in-person: Angela Shell, Angel Carrera, Danetta Jackson, Araceli Mohseni, Matt Zweier, Tanya Little,

DGS Staff via webinar: Tonia Burgess, Darvin Manuel, Brooke Droege, Carl Josephson, Jason Kenney

Government Representatives: Michelle Nguyen, Kathleen Webb

Guests: Erwin Villanueva, Janice Salais, Scott Fong, Stephanie Lopez, Rachel Grant-Kiley, Christian Olmos

#### **Introductions of New Attendees – Angela Shell**

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- Angela recognized the passing of Aubry Stone, council co-chair, and his service on the council. Angela introduced Elizabeth Perez, the new Deputy Secretary for

Minority Veterans at the California Department of Veterans Affairs. She will take over the DVBE program and all of its activities from Keith Boylan.

- Returning members to the council are Justin Adams and John Kabateck from the National Federation of Independent Businesses. Welcome back!
- The Acquisitions Branch Chief position at DGS has been filled by Rhonda Smith. She is in charge of all acquisitions in the Procurement Division (PD).

### **Approval of Meeting Minutes – Angela Shell**

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- Angela reviewed the meeting minutes. There were no questions. Jerry Bircher motioned to accept the minutes. Rachel Fischer seconded the motion. All members in attendance gave an “Aye” vote and none opposed. The motion carried and the meeting minutes were accepted.

### **Past/Current Action Items – Angela Shell**

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- Outreach brochure is being developed. It will include SB 605 information, the micro business definition and general updates.
- Taelor Stamm coordinates all iHub efforts and all areas related to innovation and entrepreneurship. Her contact information was emailed on 11/26.
- Matt Zweier will demonstrate the new online dashboards today.
- FI\$Cal User Feedback Lab information was emailed on 11/26.
- Carol Bangs presented on upcoming contracts at the September meeting.
- Rachel Grant-Kiley will present OBAS’ Contract Look-Ahead Report today.
- CUF brochure was emailed to all PACs, PCOs and advocates.
- On 10/31, state departments were contacted and encouraged to post a Look-Ahead report of upcoming solicitations with a deadline of 1/1/2019.
- “Top 20 Contract Spend by Department That Did Not Meet at Least One Goal” was emailed on 11/26.
- Stephanie Lopez will present on the UC Small & Diverse Business Advisory Council today.
- Janice Salais will present on SB1 today.
- Committees schedules were emailed on 11/26.

### **GO-Biz Update – Michelle Nguyen**

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- Wildfires recovery efforts: Fires are contained and GO-Biz is working with local governments to assist affected SBs. Millions of dollars in loans have been distributed. The SBA is the initial contact for SBs.
- \$23 million technical assistance expansion programs. All grants have been distributed: 42 awards and 90 grantees; 3 for CIP (Capital Infusion Program), 3 for TAP (Technical Assistance Program), 17 for TAEP (Technical Assistance Expansion Program).

- **CIP)**  
Matches funding from SBA to provide technical assistance. \$3 million to the SBDC Network, which covers technical assistance to small businesses related to capital infusion.
- **Small Business TAP**  
A one-time match funding, only available this year. \$3 million to MBDA Business Centers, PTAC, VBOC, and WBC programs. It covers technical assistance, training, research, marketing, and operations
- **Small Business TAEP**  
\$17 million in annual grant funding over a five-year period to support the expansion of free or low-cost consulting and training services to small businesses and pre-venture entrepreneurs throughout the state with a focus on minority, low income, or women, businesses. It covers technical assistance, training, research, and marketing. Award is based on being federally funded and an expansion of services.
- **California Competes Credit**
  - \$70 million in tax credits were approved to help expand businesses in California, to retain businesses, and create job growth. Round 2 is Jan. 2 – 21, 2019. There are four upcoming webinars.

### **UC Small & Diverse Business Advisory Council – Stephanie Lopez**

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- The UC system has 10 campuses and supports over 130,000 jobs, and has a total operating budget over \$34 billion. They are expanding their sustainability program beyond Environmentally Preferable Purchasing to consider economic and social sustainability, supplier diversity, and labor relations.
- The UC has a 25% spend goal for supplier diversity, which includes small businesses, veterans, women, and minorities. Each campus aims to achieve this goal in a 5-year timeframe.
- The website for businesses interested in working with the UC system is <https://calusource.net/>. It focuses on small and diverse businesses. This is the main way to connect with buyers and supplier diversity personnel at each campus.
- The UC has a small and diverse business council. They create access to opportunities for businesses and help businesses overcome the struggles of working with public entities. The UCs value economic, social, and environmental sustainability and provide up to a 15% preference for sustainability. They do not have, but welcome, representation from the veteran community on the council.
- These efforts are supported by the chancellors and chief procurement officers of each campus, not the president of the UC system. Accountability is at the campus level as are procurements.
- They are working on a simplified method of procurement for small businesses.

## **Design Build Updates – Jason Kenney**

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- The P street project has committed \$36.9 million to SBs and \$13.7 million to DVBEs. The O Street project has committed \$15.1 million to SBs and \$5.1 million to DVBEs.
- There have been nine outreach events for SBs and DVBEs, which increased the pool of certified suppliers subcontracting on these projects.
- We are finalizing contracts for phase three and four. Most of the work has been subcontracted out.
- There is upcoming work on several projects for more than a billion dollars, which includes renovations of two buildings in Sacramento, and a renovation/demolition of the capitol annex. All of these projects have opportunities for SBs and DVBEs.
- Design build Projects are awarded on best value, not low bid. Bid submissions are complex proposals and include a SB and DVBE utilization plan. DGS requires continuous reports on SB/DVBE utilization and have measures in place for failures, however payments are not halted.

## **Senate Bill 1 – Janice Salais**

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- SB 1: Road Repair and Accountability Act generates \$54 billion for state and local transportation, half of which goes to Caltrans. Funds are for transportation use only and include transparency and accountability measures.
- Caltrans is focused on fixing roads, bridges, and traffic systems.
- Caltrans completed more than 50 projects, began 100 projects, and worked on more than 300 projects.
- Caltrans needs to hire thousands more workers over the coming years and increase SB/DVBE participation.
- SB 103, a trailer bill, requires Caltrans to develop an outreach plan by 2020. Caltrans has already sought input from stakeholders and interested parties, and will share their outreach plan with any interested parties, including chambers of commerce. The outreach plan does not have its own funding.

## **DGS Internal Procurement Forecast (OBAS) – Rachel Grant-Kiley**

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- The DGS Office of Business Acquisition Services (OBAS) used historical spend data to do the forecast, which includes a list of top procurements by frequency of purchase and dollars spent.
- Some upcoming procurements include: new case management system, office furniture, video conference equipment / wifi, M1000 heidelberg press refurbishment (approx. \$5.4 million), forms press purchase (approx. \$3.1 million), 10 color press purchase (approx. \$3 million), monthly office supply (average of \$2000/month), document scanners (estimated at \$34,538), and possible purchase of 30 to 40 tablets for field staff.

## **AB 262 Buy Green CA Act – Scott Fong**

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- The awarding authorities are the Department of Transportation, Department of Water Resources, Parks and Recreation, California Department of Corrections & Rehabilitation, Military Department, DGS, the University of California system, and California State Universities.
- By January 1, 2019 the awarding authorities will request that each successful bidder for a contract submit a facility-specific Environmental Product Declaration (EPD) for all eligible materials.
- By July 1, 2021 only eligible materials compliant with the Global Warming Potential (GWP) limit will be acceptable for use on public works projects.
- These requirements apply to prime and subcontractors.

## **Dashboards – Matt Zweier**

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- The Statewide Procurement Data dashboard shows an analysis of state spend data to interested parties, such as SBs and DVBEs, to further procurement opportunities and provide transparency of the state procurement record.
- The main section of the dashboard provides analysis of dollars spent, number of transactions, the awarding departments, and the unique vendors. Users may apply a number of filters to isolate information of interest to them.
- SBs and DVBEs can use this dashboard to identify procurement opportunities with the state of California.
- Access the dashboard at:  
<http://www.dgs.ca.gov/pd/Programs/eprocurement/eBISS.aspx>

## **Committee Updates – Committee Chairs**

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- Rachel Fischer, Processes Committee:
  - DGS is working on the forecast and plan to have the information by January 1, 2019.
  - Thresholds for CMAS have increased but a communication plan or initiative could help make that better known.
  - Cal eProcure usability concerns can be addressed through the FI\$Cal user feedback group. The coding system will not switch back to NAICS codes from UNSPSC codes.
  - This committee will develop a flyer for the SB/DVBE First policy to advocate for statewide implementation, specifically targeting the list of departments with the top 20 spend.
- Julian Canete, Outreach and Education:
  - This committee looked at the outreach brochures, Commercially Useful Function (CUF), and primarily getting the 25% SB goal codified. DGS's Outreach efforts were part of that discussion, as well as how other organizations can support dissemination of Outreach's information.

- Jerry Bircher, CUF Committee:
  - CUF continues to be a significant issue. The language needs to be revised and updated to ensure accountability.
  - A standardized CUF form is necessary. Forms differ with each department and some lack information necessary to ensure CUF compliance and accountability. The committee presented their own recommended form.
  - It is important to send information about CUF and do inspections/audits to ensure CUF is followed.
  - It is important to quantify and qualify CUF infractions. This will give perspective on the magnitude and severity of CUF violations. Fears of retaliation and retribution must be addressed to get accurate reporting.
  - Concerns of CUF violations should be brought to the SB/DVBE Advocates or DGS, not buyers.
  - Tanya Little, DGS Business Development Manager, emphasized the importance of addressing CUF at the local level and the efforts already taken by DGS to educate, inform, and create accountability with CUF.

#### **Cal eProcure Survey – Araceli Mohseni**

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- OSDS is seeking feedback on Cal eProcure. A survey will be sent out to all certified firms in the database in January 2019. Contact [OSDSHelp@dgs.ca.gov](mailto:OSDSHelp@dgs.ca.gov) for any questions.

#### **Review of New Action Items – Angela Shell**

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- Provide the UC Small & Diverse Business Advisory Council presentation.
- Provide the link to the Dashboard presented by Matt Zweier during the meeting.
- Provide the link to the CAR ERGSO data for fiscal year 16/17.
- Provide the CMAS threshold increase information.
- Provide the Look-Ahead Reports of other state departments.
- Provide a summary of Jason Kenney's presentation on the Design Build projects.

#### **Public Comment Period – Members of the Public**

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No public comment was made

#### **Meeting Adjourned**

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William Osgood motioned to adjourn the meeting. Abdi Ahmed seconded the motion. All members voted aye and none opposed. The meeting adjourned at 12:30 p.m.