



## California Department of General Services (DGS)

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

**Date:** September 7, 2022

**Time:** 1 – 4 p.m.

**Location:** Zoom

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

**Recorder:** Brooke Droege, Office of Small Business and DVBE Services (OSDS) Business Outreach Manager

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

#### Meeting Minutes and Past Action Items

A motion was made by Julian Canete and seconded by Sandra Escalante to approve the June 8, 2022, meeting minutes. The motion passed without objection or abstention.

Leslie Fritz, OSDS Business Outreach Liaison reviewed the Action Items:

1. Carol Bangs will provide presentation slides to the Council and clarify if the SBs and DVBEs awarded the TDDC MSA are dual certified for count accuracy. Status: Complete, per Stephanie Lim, Manager, Multiple Awards Program Section, Acquisitions Branch. As of June 27, 2022, the TDDC numbers have been updated and there are currently 11 awarded DVBEs. All 11 awarded DVBEs are dual-certified as SBs.
2. Chris Earl, California Office of the Small Business Advocate (CalOSBA) will provide presentation slides and provide updates regarding retail theft protection. Status: Complete, an email was sent to Council members on July 21, 2022 by [Leslie.Fritz@dgs.ca.gov](mailto:Leslie.Fritz@dgs.ca.gov).
3. Danetta Jackson, Supplier Diversity Program Manager, will facilitate a connection between Council Member Danny Garza, Council Member Julian Canete, and the CA Hispanic Chamber of Commerce. Status: Complete.
4. DGS will convey prompt payment automatic payment penalty concerns/questions to Fi\$Cal as part of the updated system. Status: Ongoing.
5. DGS will send information on the three bills presented to the Council by Matt Bender with links to the bills so that Council members can reach out to committees for discussion if desired. Status: Complete. An email sent June 10, 2022 from [Leslie.Fritz@dgs.ca.gov](mailto:Leslie.Fritz@dgs.ca.gov).

## Members' Questions and Comments:

1. A question was asked if we are conveying the desire for the late payment penalty to be automatically added. Angela responded Anda will take that back to Fi\$Cal. Status: Underway. Anda reached out to Savita Farooqui to clarify request and conveyed to Fi\$Cal what the SB council members are looking for on the Fi\$Cal system's Purchase Order Payment.

## DGS Updates:

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

### Updates/Reminders:

- DGS continues working on strategic goals for the Procurement Division, an example is editing the Information Technology General Provisions project. PD continues to seek feedback on contract language. SBAC will be asked to provide comments prior to the public comment period.
- Heat, fires and drought are current emergencies that DGS Procurement is responding to at the California Office of Emergency Services (CalOES). We are looking for goods and services to respond and recover from these emergencies. If you have not, ensure you are registered in the [SB/DVBE Emergency Registry](#).
- The legislative period is wrapping up and the bills under consideration are with the Governor's Office. We spent a great deal of time assisting the legislature to understand the processes and impacts of each piece of legislation. Procurement related bills will be reported during the legislative report later in the meeting.
- DGS is wrapping up 2021-22 procurements.
- The most recent Consolidated Annual Report has been posted on the DGS website. We acknowledge that emergencies caused the state to miss both SB and DVBE goals. If you remove emergency contracts, the state would have made both goals.
- The 2021-22 FY Consolidated Annual Report (CAR) data is due from departments to DGS on October 1, 2022.
- Update with Government Operations Agency – new Undersecretary is [Miriam Ingenito](#). In a newly created position of State Chief Equity Officer is [Pam Chueh](#).
- Important reminder to Council members: Per the [Council Charter](#), *Article X – Conduct*, council members only represent the Council when in council meetings. Outside of these meetings, members do not represent, speak or act on behalf of the Council or the Council's interests and activities. Council members may not provide information about what DGS is doing or the Council's stance on topics outside the council meetings. All DGS-related recommendations should be discussed within the applicable Council committees and presented to DGS and the council per the Council's quarterly public meetings agenda.

### **Governor's Office of Business and Economic Development (GO-Biz) Update:**

Amber Tarrac, Southern California Local Engagement Specialist, Office of the Small Business Advocate, Governor's Office of Business and Economic Development (GO-Biz), ([Amber.Tarrac@gobiz.ca.gov](mailto:Amber.Tarrac@gobiz.ca.gov)) provided the following updates:

- CalOSBA supports economic growth and innovation and ensures that ALL California small businesses and innovative startups have the information and direct support they need to better navigate resources, programs, and regulations.
- The [Technical Assistance Program](#) RFP concluded August 15 and awards will be announced shortly.
- The [Source Diverse Source Local](#) program is a public-private collaboration to strengthen inclusive procurement programs and build a resilient California-based supply chain. Small businesses interested in the contractor readiness accelerator program may contact the San Diego & Imperial Regional SBDC at [sdivsbdc.org/](http://sdivsbdc.org/).
- New: California RISE is providing Social Enterprise Grants for B-Corps. 10-15 businesses will be awarded. Program information is still in development.
- [Accelerate California Inclusive Innovation Hubs](#) was approved to expand from 10 to 13 locations. Seed capital is expected to be added.
- Women's Business Technical Assistance program has been approved for \$8 million.
- \$75 million approved for Draught and Agriculture Relief Grants.
- Proposed Sick Leave grant program will support small companies (this is proposed).
- CalOSBA Virtual Open House will be happening on October 4 or 6 via Zoom. A registration link will be coming soon, information available in the CalOSBA newsletter at [Calosba.ca.gov](http://Calosba.ca.gov).

### **Members' Questions and Comments:**

1. A question was asked if the grants are limited to the Southern California region. Amber replied that grants are available statewide.
2. A question was asked if there is a cap on the number of grants that will be given as part of the Sick Leave program. Amber replied that some programs are still being developed and when specific guidance comes out, it will be made known to the Council.

### **CalVet Update:**

Roberto Herrera, Assistant Deputy Secretary, gave updates on behalf of Keith Boylan, Deputy Director, Veterans Services Division, Department of Veterans Affairs, ([Keith.Boylan@calvet.ca.gov](mailto:Keith.Boylan@calvet.ca.gov)) provided the following updates:

- CalVet's 6<sup>th</sup> Annual Leadership Summit, and they will take a deep dive into three key areas impacting veterans: aging amongst Veterans, mental health and homelessness.
- California Veteran Health Initiative is a new program. CalVet received \$50 million for a grant program offering direct prevention services for veteran suicide. This is an unprecedented investment by the state and a priority for CalVet.

- Veterans' Support Self-Reliance is new pilot program with \$20 million that will provide permanent supportive housing and additional geriatric care.
- CalVet's DVBE Program sent out survey to DVBEs who are not certified and received 138 responses out of 1500+ who were sent survey. Results are scheduled for October.
- DVBE Advisory Council was recruiting for new members at the time of the meeting and invited interested members to contact CalVet.
- Questions for CalVet can be directed to [DVBE@calvet.ca.gov](mailto:DVBE@calvet.ca.gov)

### Legislative Update:

Matt Bender, Deputy Director of the DGS Office of Legislative Affairs ([Matt.Bender@dgs.ca.gov](mailto:Matt.Bender@dgs.ca.gov)), provided the following legislative updates.

These bills were pending action by the Governor and since then have been signed:

- [AB 2019](#) codifies the 25% small business participation goal, requires DGS to conduct a Statewide Procurement Disparity Study, requires state agencies to create economic equity first plans, requires DGS to offer options to SB/DVBEs for self-identification as minority- and women-owned in their certification profile and encourage Disadvantaged Business Enterprises and other minority- and women-owned businesses to get certified.
- [AB 2974](#) (JEDE) creates additional outreach and requires SB participation on contracts funded with the federal infrastructure Investment and Jobs Act and compliments AB 2019.
- [SB 1422](#) creates the ability to allow LPAs for contracts requiring a skilled workforce (carpet, flooring, turf, lighting). A certain percentage of the workforce must come from certain apprentice programs.

Bills that did not move forward:

- [SB 1321](#) did not pass through the legislative process. It would have required contract bidders to self-designate they are from California when bidding on an emergency procurement. (Emergency procurements are not usually done through the bidding process)
- [AB 778](#) replaces the existing in-state agricultural products purchase process by requiring necessary practices to achieve a goal of ensuring that at least 60% of the agricultural food products that it purchases in a calendar year are grown or produced in the state by December 31, 2025.

Members' Questions and Comments:

1. A question was asked about AB 2019 and its status. It has passed both houses and waiting signature by the Governor.
2. A comment was made thanking Matt Bender for his hard work.

3. A comment was made noting that it sounds like many of those bills are open to legal challenge because some of the bills cause a California requirement to be applied to a federal requirement.

### **Procurement Update – Acquisitions:**

Carol Bangs, Acquisitions Branch Chief, Procurement Division, Department of General Services, provided an update on upcoming solicitations:

- Carol discussed upcoming solicitations, which can be viewed here: [Upcoming Solicitations](#)
- A few contracts have been made more accessible to small businesses such as plotter printers and tires.
- Some MSAs are new such as uniform laundry services, office moving service and temporary healthcare services. They have been divided up to be more accessible. Some are just up for renewal such as travel payments.
- Acquisitions is also looking to break some contracts up regionally.
- Award Notifications are posted on the [DGS Procurement Division page](#).

### **Members’ Questions and Comments:**

1. Angela noted that there is a difference between DGS contracts and Procurement Division (PD) contracts. PD contracts are created for use by other state departments. DGS contracts are to procure for DGS.
2. Carol noted that for the SB/DVBE Emergency Registry to please include an after-hours phone number to ensure buyers can connect with the business in a timely manner.
3. A question was asked if the numbers calling small businesses during emergencies would look like spam calls or if it would identify it was from DGS. Carol noted that the calls would likely come from CalOES.
4. A question was asked if the new TDDC awards supersede the previously awarded MSA. Carol confirmed it does.

### **Statewide Supplier Diversity Program Updates:**

Danetta Jackson, Supplier Diversity Program Manager ([Danetta.Jackson@dgs.ca.gov](mailto:Danetta.Jackson@dgs.ca.gov)), Department of General Services, provided the following updates:

- [Supplier Diversity Data](#) has been voluntarily collected for over 2,000 suppliers. A dashboard is being created to display the information. Details forthcoming as more information is provided.
- In partnership with the California Black Chamber of Commerce, DGS will host an Economic Business Summit & Roundtable on September 30, 2022, which features

matchmaking with buyers, opportunities to pitch businesses, contracting information and more.

- Thank you to the organizations on this Council for their support and partnerships.
- The Supplier Diversity Program will be hiring a Research Data Specialist and an analyst.

#### Members' Questions and Comments:

1. Question was asked if Danetta was still open to coming to San Diego to speak about Supplier Diversity. Danetta responded to reach out and she will try her best to support.

#### **SBAC Committees' Updates:**

##### Charlotta Carter, Chair, Procurement Processes Committee:

Procurement Processes Committee Chair Charlotta Carter presented the Procurement Processes Committee report:

- The committee has been meeting regularly.
- Focusing on the areas of:
  - Prompt payment – both prime and state. Looking at penalties and opportunities for enforcement. Would also like to have a company or guest share with committee about other prompt payment issues.
  - Opportunities for under \$250,000 contracts – getting communication out about these contracting opportunities and how to market for these.
  - Identifying procurements: Look at forecasting and best practices, include CMAS and MSA.
  - Increasing transparency on CMAS and MSA opportunities.
  - Reduce mandatory requirements for SB – current requirements favor primes
  - Excessive reference on each bidding opportunity.
  - Timeline for bid submittal.
  - Subcontracting – Adding new vendors.
  - Simplify Certification process and bidding process for CMAS and MSA opportunities.
- Thanks to Matt and Leslie for their helpful information!

#### Members' Questions and Comments:

1. It was noted that committee meeting guest speakers are by invitation only, so if anyone has any small businesses that would like to present to the committee on their individual experiences, we would appreciate it.
2. A comment was made regarding late payment penalty history. Angela noted that current rates are posted on the DGS website. Here is an [FAQ](#) regarding payment history.
3. Paul expressed concern with clarity on prompt payment rates and Angela clarified that current rates are posted on DGS website.

4. Charlotta noted that communication was also needed so people know what is available to them.

Merv Cutler, Chair, Outreach, Marketing, Education, and Training Committee:

Outreach, Marketing, Education, and Training Committee Chair Merv Cutler presented on the committee updates:

- The committee met on August 15, 2022, and ten members were in attendance.
- A co-chair for the committee was appointed – thank you to Mike Daniel for volunteering.
- Committee had a few action items and ongoing items:
  - Review videos – information and feedback are being compiled.
  - Would like to offer more one-on-one teaching at outreach events, could be outreach committee member.
  - Committee will begin meeting monthly or bimonthly instead of quarterly.
  - Matt noted we do around 150 events a year. Merv responded how impressive that is and how Council members should go and attend those events to learn and show support.

Lori Kammerer, Committee Member, presented on behalf of Shaila Rao Mistry, Chair, Commercially Function (CUF) Committee:

Lori Kammerer, CUF Committee Member presented on the committee's work/areas of interest:

- CUF committee discussed the following:
  - Challenges DGS buyers face on enforcing CUF.
  - Increasing suppliers understanding of how CUF works.
  - Data collection and measurement of known and potential transgressions.
  - Publicizing and marketing of existence of CUF in all business networks.
- Committee discussed next steps to enforce CUF internally/externally or other means. To ensure small businesses are CUF compliant and protected from primes, came up with the following:
  - Buyers - Perform rigorous examination of bids for CUF compliance and receive critical training/instruction on CUF, which they sign off on when completed.
  - Auditing of Suppliers - Best practice is annual auditing of suppliers to ensure truth in declaration and on the spot visits during the contracting period to ensure supplier is not a pass through.
  - Third Party Verification - Engage third party to conduct annual audits as best practice for prevention of CUF transgressions or noncompliance. Most primes follow this protocol and adopt also as DGS protocol. Recommendation for covering costs through administrative sources at state level, seek help from JEDE, through legislation.

- Data collection on CUF transgressions - We need data on how often CUF noncompliance is taking place. Measurement can be through existing portals and existing suppliers.
- Publicizing and Marketing CUF amongst small business owners - This is an excellent prevention method. We recommend CUF is publicized and distributed to known DGS supplier base, business communities, chambers primes, etc.
- DGS Policy and Resources - Update the CUF enforcement funding through legislation and reassign resources to make audits happen. Train buyers, provide the needed tools and hold them accountable.
- Penalties - make better known to all suppliers in data base and in business community.
- DGS has already made several excellent changes to CUF Implementation including:
  - New documentation on CUF - including new language added to bidder declaration (underway).
  - New resources on CUF have been created – including a [CUF webpage](#), [CUF brochure](#) and [CUF video](#) to help small business succeed.
  - Existing suppliers and new contract bidders are required to take all the DGS training including watch videos and reading brochures.
  - How about the CALPCA CUF training?
- Action Items for CUF Committee:
  - Invite Demeshia Swanson, Outreach Manager in OSDS, for updates on the bidder declaration requirements.
  - Work with DGS to best create a plan for bidder/supplier training.
  - Institute a best practice for CUF compliance training to all suppliers not just at point of bid.
  - Share CUF action steps in business networks, Council Members, DGS managers, etc.
  - Recommends bidders/suppliers view these videos and sign off on them.

### **OSDS Branch Updates:**

Diane Lydon, OSDS Business Outreach Liaison, reported on OSDS updates:

### **Certification Updates:**

- The proposed Small Business and DVBE regulations have been approved for public comment. The public comment period is September 2 to October 17, 2022. The Public Hearing date is October 17 at 10 a.m. Comments can be sent to [SBDVBERegulations@dgs.ca.gov](mailto:SBDVBERegulations@dgs.ca.gov)
- To review proposed SB/DVBE regulations go to the DGS website. Use search term type “broadcast bulletins.” Look under Event Bulletins for Notice of Rulemaking Regulations for SB/DVBE. Several regulation changes are in response to AB 1574, SB 588, AB 230 and



AB 1365. <https://www.dgs.ca.gov/-/media/Divisions/PD/PTCS/Broadcast-Bulletins/2022/E-09-22-Notice-of-Rulemaking.pdf?la=en&hash=744EDA4B9A8FF75409AC57FC60A28FD17453DEDB>

#### Outreach Updates:

- Emergency Registry: 675 suppliers, and 278 state buyers have requested access. Targeted communication by Outreach will continue to occur to DGS certified businesses based on products and services needed by the buyers.
- New Units in OSDS: OSDS is establishing two new units, an Advocacy Unit and a SB/DVBE Training Unit.
  - Advocacy Unit is being established to take on and expand all the duties and responsibilities related to our support and administration of the SB/DVBE Advocate program. It will also eventually be responsible for agency visits and advocate relations and will have one SSMI and three analysts.
  - SB/DVBE Training Unit is being established to develop and implement a Learning Management System (LMS) based training for SB/DVBE interested in contracting with the state. This unit will have one SSMI and three analysts.
- Strategic Partnerships: With the start of a new fiscal year, we are again establishing all our strategic partnerships for the year and are looking to establish new partnerships in disadvantaged and underserved communities.
- Upcoming Events: <https://www.dgs.ca.gov/PD/Events>
  - 21 events scheduled for September and an additional 28 events scheduled thus far for October and November.
  - The event format is both in-person and virtual, with the majority virtual.
  - Events are in partnership with our strategic partners and are equivalent to the three different webinars we offer: How to do business with the state of California; I'm certified now what?; and Contracting with the state of California. One of the events are a meet the buyer event (Central Valley Score – 9/29)
  - Few events that deserved special mention were highlighted:
    - 14<sup>th</sup> Annual Exceptional Women of Color on Tuesday, 9/20 in the evening from 5-8 p.m. This Sacramento in-person event is hosted by the Sacramento Cultural Hub Media Foundation and will recognize women throughout Northern California for accomplishments in their communities and foster education, training, and digital tools to survive and succeed in the future.
    - National PTAC Day, Thriving as a Business in a Pandemic World on 9/21 from 9 – 11 a.m. will be an in-person event in National City. The event is organized by the San Diego, Orange County and Imperial PTACs.
    - 11<sup>th</sup> Annual Veteran and Small Business Summit on 9/27 and be an in-person event in Southern California, hosted by the Southwest Veterans Business Resource Center.
    - Economic Business Summit and Round Table, a two-day event, hosted by the California Black Chamber of Commerce. It will be in-person in

Sacramento on 09/30 and 10/1 and feature learning how to bid on state projects and network with state buyers.

- Small Business Webinar with State Controller, Betty Yee will have two upcoming virtual presentations on 9/15 with the cities of Ontario, Riverside, Moreno Valley and San Bernardino, and on 10/13 with the California Black Chamber of Commerce and the California African American Chamber of Commerce.
- View the Procurement Division Events calendar at <https://www.dgs.ca.gov/PD/Events>
- Follow OSDS LinkedIn at: <https://www.linkedin.com/company/dgs-osds> to stay up to date on upcoming events

### **Review of New Action Items:**

Leslie Fritz, OSDS Business Outreach Liaison, reviewed the new action items created by the discussion at this meeting. They are:

#### **Action Items:**

1. Anda will connect with Fi\$Cal to convey the SB council request regarding tracking late payment penalty into the new payment tracking system.
2. CalOSBA will provide updates to Council on grant programs currently under development as they come out.

#### **Members' Questions and Comments:**

1. A question was asked if Cal eProcure posts awards. Angela clarified that advertisements are posted on Cal eProcure but there is a gap until they are issued. Carol noted that each department typically posts their award announcements on their websites.
2. A question was asked about "state's uses" contracts. Carol and Angela were not familiar with the term. Merv said he would find out more and circle back.
3. A comment was made that electronic payment is not available from state government which is highly inconvenient. Angela noted that payment is made through the State Controller's Office and electronic payment accessibility is being developed.

#### **Public Comment:**

- None.

#### **Adjournment:**

- The next meeting is scheduled for December 7, 2022, from 1 - 4 p.m. and will be at the Ziggurat with a hybrid option but that could change based on COVID mandates.
- Lee Cunningham has agreed to continue as the Council Co-Chair. Thank you to Lee!
- Please remember it is a requirement for all council members to participate on a committee and you must attend the committee meetings.

The SBAC meeting adjourned at 3:04 p.m.