



Meeting Recap

Thursday, May 18, 2023
1:30 p.m. to 2:30 p.m.

1. Welcome

Nick DeAngelis, Purchasing Authority Unit (PAU) Supervisor, Purchasing Authority Unit (PAU), Department of General Services (DGS), Procurement Division (PD)

Nick DeAngelis welcomed all participants and provided instructions on participating in the Purchasing Authority Round Table (PART) meeting. Since the meeting is being held through Microsoft Teams remotely, participants were instructed to mute microphones to minimize background noise. For questions, participants are to utilize the Microsoft Teams meeting hand feature or enter questions in the Microsoft Teams chat. Opportunities to ask questions will be provided at the end of each speaker's presentation and at the end of the PART meeting.

2. Procurement Division Updates

Angela Shell, Deputy Director, DGS PD

One Time Acquisitions (OTA)

- OTA is facing a significant amount of fiscal year end workload and has received the highest number of requests in fifteen years.
- Assistance was provided to OTA from other Procurement Division units.
- OTA requests are projected to be completed by June 30th. Requests not completed by June 30th will be completed by early September at the latest.
- Reminder to state agencies to verify all pre-procurement requirements are being met and requests are submitted with all contract information. This helps OTA process requests in a timely matter.
- OTA and PD appreciate all state agencies patience as OTA works to complete year-end requests.

Non-Competitively Bid (NCB)

- DRU received a significant amount of NCB justification approvals this fiscal year end.
- Many NCB requests are for IT goods and/or services.
 - DGS verifies IT goods and/or services requests are not part of IT project or project related.
 - CDT oversight process on IT project and project related procurement is based on 2018 legislation ([Bulletin #: P-10-18](#)) and is part of CDT's procurement modernization efforts.
 - DGS's additional process to verify that IT goods and/or services requests are not related to IT projects can cause delays in NCB processing time.

- DGS requests that agencies verify with CDT to ensure their IT goods/services acquisition are not part of an IT project prior to sending NCB requests to DRU.
 - Prevents unnecessary DGS involvement and reduces the agency's processing time.
- Reminder to agencies to verify pre-procurement contract requirements are met and requests are submitted with all necessary information to minimize any delays and additional NCB processing time.

Office of Small Business & Disabled Veterans Business Enterprise Services (OSDS) Survey

- OSDS sent surveys to Procurement and Contracting Officers (PCO), Purchasing Authority Contacts (PAC), and SB/DVBE Advocates at the end of April in response to Governor's Office status request on AB 2019 implementation progress.
 - The survey covers implementation requirements from AB 2019 and AB 2974.
 - Interest has been received from state agencies and out-of-state agencies on the AB 2019 implementation progress.
 - State agencies were to complete the survey and respond to OSDS.
 - Approximately 50 responses were received out of 140 surveys sent.
 - DGS must report to Governor's Office on all agency survey responses/non-responses and on agencies that have met and not met the SB/DVBE participation goals.
 - Survey results will be shared with state agencies when received.
 - An email reminder will be sent to agencies who have not yet responded.

SB/DVBE Outreach

- Sections of AB 2019 and AB 1574 require SB/DVBE outreach by state agencies.
- OSDS has provided SB/DVBE outreach events for many years.
- DGS recognizes that state agencies may not be able to host their own outreach events.
 - DGS encourages state agencies to participate in OSDS SB/DVBE outreach events or one of the strategic partners involved in the outreach events in order to show progress in attempting to achieve 25% SB or 3% DVBE participation goals.
 - Outreach events are posted on the DGS PD website: [Office of Small Business and Disabled Veteran Business Enterprise Services \(ca.gov\)](https://www.dgs.ca.gov/Office-of-Small-Business-and-Disabled-Veteran-Business-Enterprise-Services).

Legislation

- As of January 1, 2023, AB 2019 mandated 25% Small Business (SB) procurement participation.
- Broadcast Bulletin [#P-01-23](#) discussed bills from 2022 legislation that impact procurement practices.
 - Workforce development for covered public contracts.
 - Minimum high road job standards: Better hourly wages, job offerings, sick leave, and health plans.
 - Covered public contracts: Contracts for zero-emission transit vehicles or electric vehicle supply equipment valued at \$10 million or more.
 - Solicited and awarded by DGS and Caltrans
 - Recycled product procurements.

- Updates to the state vehicle fleet and alternative fuel vehicles and “Green Fleet” criteria to meet modern standards.
- DGS encourages state agencies to review each piece of legislation and how the requirements may impact their business operations.
- DGS encourages state agencies to reach out to departmental legislative representatives and provide feedback on 2022 enacted bills or proposed bills.
- SCM Policy updates
 - DGS is working on implementation and requirements as well as updates to SCM per recently enacted statutes.
 - Staffing provided through bill implementation.
 - Staff recruitment pending approval.
 - Once staff resources are fulfilled, SCM policy will be drafted based on the 2022 enacted legislation.
 - Although not yet written in SCM, agencies must still comply with recently enacted statutes. State agencies to review Broadcast Bulletin [#P-01-23](#) on recently enacted bills.

AB 2019

- Requires state agencies to have Economic Equity First Action plan. [Bill Text - AB-2019 Small business enterprises. \(ca.gov\) GC 11148.5](#)
 - Applicable to any state agency that has an SB Liaison
- Bill requires an SB Liaison to work with their agency’s SB/DVBE advocate to put together practices that will enhance opportunities for SBs, DVBEs, and diverse businesses such as women, minorities, or LGBTQ-owned businesses.
- SB Liaison
 - Small agencies may or may not have an SB Liaison.
 - Larger state agencies such as DOT or DGS will usually have an SB Liaison.
 - State agencies that have procurement spending over \$100,000 may be required to have an SB Liaison.
 - SB Advocates and SB Liaison responsibilities are different.
 - SB Advocates focus is on procurement and enhancing SB participation.
 - SB Liaison responsibilities:
 - Receives and responds to complaints from small businesses.
 - Provides technical advice and assists SB/DVBE’s in resolving problems and questions regarding compliance with regulations and statutes.
 - Reports SB/DVBE concerns.
 - Reviews and updates semiannually to agency website accessible through SB link pursuant to GC 11541.5.
 - Assists agency secretary, department director, or executive officer, as applicable with ensuring procurement/contracting process is administered accordingly to meet or exceed 25% participation goals as well as developing and sharing public/private sectors procurement and contracting processes to increase SB/DVBE opportunities.
 - Develop an Economic Equity First action plan and policy.

- SB Advocate can also be designated as the SB liaison.
- Economic Equity First Action Plan
 - A plan that provides direction, recommendations, and strategies as to how best to ensure that small businesses pursuant to Section 14837, including women-owned, minority-owned, and LGBTQ-owned businesses, are effectively involved in, and benefiting from the procurement process of the agency.
 - The plan shall include, as part of a general outreach effort to all small businesses, education, outreach, and stakeholder engagement with representative business organizations and business enterprises owned by women, minorities, and members of the LGBTQ community.
 - SB Liaisons to submit Economic Equity First Action plans to Governor's Office of Business and Economic Development (GO-Biz)
 - GO-Biz to provide more detailed information to agencies by July 1, 2023.
 - Economic Equity First Action Plan due Jan 1, 2024
- As of January 1, 2023, businesses can voluntarily enter information about their company's diversity whether they are SB/DVBE certified or not.
 - Certificate report of diversity based on race, ethnicity, gender, or specific to ownership status documents use is prohibited in solicitations or during award of solicitations.
 - FI\$Cal SB/DVBE profile will display a grey button which can be selected to view supplier diversity information.
 - Diversity information public search in FI\$Cal is currently being created.

3. OSDS Updates

Demeshia Swanson, Business Outreach Program Manager, Certification and Outreach Branch, DGS PD

SB/DVBE Regulations

- SB/DVBE Regulation text and Initial Statement of Reasons
 - Fifteen-day public comment period is May 15–30, 2023
 - Broadcast Bulletin sent out on Monday, May 15, 2023
- No additional substantive changes were made to this package that were not originally proposed in 2022.
- To review the proposed revisions, please visit DGS website at Notice of Rulemaking for SB/DVBE on how to do business with the state. Contact OSDS for this link.

SB/DVBE Training Program

- Timeline to provide courses to SBs/DVBEs - July to October 2023
 - Courses:
 - Commercially Useful Function
 - Marketing - two parts
 - Environmentally Preferable Purchasing (EPP)
 - Procurement & Acquisition Methods

Statewide SB/DVBE Advocacy Support Unit

- Deficiency Notices were sent to state agencies who have not met either the SB or the DVBE contracting participation goals and/or did not submit the required improvement plan.
 - Done in collaboration with DGS, PAU
 - State agencies are to respond by the response due date written in the deficiency notice.
- Developing the Best Practices Webinar for all SB/DVBE Advocates for Small and Large departments.
 - Geared toward state agencies that did not meet SB or DVBE participation goals.

Consolidated Annual Report (CAR)

- CAR Summary and Highlights-Fiscal Year (FY) 2021 – 2022
 - \$13.38 billion in SB/DVBE contracting spent by state agencies is the highest reported dollar amount in the recorded history of the SB/DVBE program.
 - DVBE
 - Exceeded 3% DVBE participation goals.
 - Obtained 4.82% and awarded DVBEs over \$646 million.
 - SB
 - Slightly below the 25% SB participation goal.
 - Obtained 24.82% and awarded SBs over \$3.3 billion.
 - DGS to exceed both SB and DVBE participation goals in the upcoming year.
- CAR Training Dates FY 2022 - 2023
 - FI\$Cal Departments – May 30, 2023 (afternoon) and May 31, 2023 (morning)
 - Non-FI\$Cal Departments - June 5, 2023 (morning) and June 7, 2023 (afternoon)
 - Two separate broadcast bulletins will announce training information.
 - Important that all procurement officials attend upcoming CAR trainings as the following topics will be covered.
 - Reporting requirements including the new infrastructure investment JOBS Act.
 - Statutes and laws governing SB and DVBE contracting.
 - Reasons for submitting the improvement plan.

SB/DVBE Participation – Department Survey

- Department’s implementation of the requirements in:
 - Assembly Bill (AB) 2019 in 2023: State agencies are mandated to solicit SBs and use SBs for 25% of the annual procurement contracting.
 - Allows DGS to institute remedial action on agencies that have not met these goals. Actions can include removing a department’s Purchasing Authority.
 - DGS will track how agencies can meet SB/DVBE participation requirements.
 - AB 1574 in 2022:
 - Requires agencies to expand their pool of SBs and solicit those that are rarely utilized in state contracting.
- Survey sent to all agency PCOs, PACs as well as SB/DVBE advocates on May 9, 2023.

- Survey consisted of nine questions on the agency's strategies for creating and implementing policies pursuant to AB 2019 and AB 1574.
- 50 out of 140 agencies responded.
- Agencies plans which were received are to be shared with agency executives.
- Survey to be sent again to state agencies which have not responded.
- If agencies did not receive the survey, please email advocate@dgs.ca.gov
- Response due date extended to May 22, 2023

4. Acquisition - Contracts Updates **Carol Bangs, Acquisitions Branch, DGS PD**

Recently Awarded LPAs

- Bulk Fuel
 - On contract:
 - Regular Unleaded Gasoline, Ethanol (E85), Diesel #2 and Red Dyed Diesel #2
 - Allows Blanket purchase orders.
 - Awarded to three contractors by region.
 - For departments with existing purchase orders preceding the date of the LPA contract award:
 - Thoroughly review the new contract and available LPA contractors.
 - Verify vendor is still in the region serviced to prevent ordering outside of the contract. Contractors assigned to the region may have changed.
 - Updates take time, plan to allow for additional processing time to prevent a contract lapse.

- Renewable Diesel
 - Mandatory contract
 - Awarded to three contractors by region.
 - Allows Blanket Purchase Orders

Upcoming LPA Solicitations

- Enterprise Technology
- Sheets and Pillowcases
- Body Armor
 - Advertised under [Event ID 0000024287](#)
 - Prior product material was subject to fraying which increases the risk of failure. As a result, a new contract was facilitated.
 - IT solicitation under OLS review
 - Estimated completion within 30 days.
- Paratransit Vehicles
 - Advertised under [Event ID 0000022297](#)
- Salt, Water Softener
- Uniform Laundry Services
 - Status updates are available online.
 - RFI and survey sent.

- Office Moving Services
 - Scope of work updates under OLS review
 - Recommend utilizing existing LPAs until a contract is approved.

General Information

- Surveys will be sent out regarding upcoming contracts and will focus on state agency's current utilization of LPAs. State agency feedback and comments are welcomed.
- For LPA questions, contact Carol.Bangs@dgs.ca.gov.

5. Policy Update

Sarah Cering, PT&CS Branch Chief, DGS PD

Sarah opened with a clarification that DGS PD's mission is to assist state agencies in retaining and/or increasing their purchase authority and not to take it away.

PCO/PAC Contact Information Survey

- Survey will be sent to agency PCOs and PACs regarding the sharing of PCO/PAC contact information publicly or keeping the information for internal DGS use only.
 - PAU has set up an email survey using a “yes” or “no” Outlook email voting feature to receive survey responses.
 - If the agency votes “no”, DGS will request and an explanation on why PCO and PAC contact information should not be publicly shared.
- Depending on the results of the survey, DGS will take into consideration the possibility of only sharing the list with other PCOs and PACs via a mailing list.
- Background: DGS has received an increase in public records requests for a list of state agency PCO and PAC contact information.
 - The PCO and PAC are designated for purposes of DGS communication regarding contracting and purchasing matters.
- History: Prior to people submitting public records requests for PCO and PAC contact information:
 - Purchasing Authority Approval Letters (PAAL) posted on the PD website.
 - PAAL contained PCO and PAC contact information.
 - Fraudulent procurement activities occurred related to the information contained in the PAALs.
 - Agency PCOs and PACs received a large amount of unwanted email spam.
 - PAALs removed from the PD website due to complaints and issues.

Regulations and SCM packages

- [AB 2019 \(2021-2022\)](#) and [AB 1574 \(2021-2022\)](#)
 - DGS PD was not able to use an exemption to publish regulations directly into SCM and bypass the regulation process.
 - Currently going through the regulation process

Hiring Updates

- Office of Policies, Procedures, and Legislation (OPPL) hired a Retired Annuitant (RA) to assist with policies and procedure updates in the State Contracting Manual (SCM).

SCM Updates

- Anda Draghi's OSDS team has made significant progress on SCM policy updates and SCM updates will be published soon.

Cal Recycle AB 661

- Broadcast Bulletin #P-1-23 announced the recently enacted AB 661 legislation.
 - Requested an additional staff position to work on the implementation.
- Mandatory annual procurement training for PCO or designee conducted by CalRecycle.
 - CalRecycle partnering with DGS.
 - DGS currently working on LMS to track training participation.
- SB Option ten (10) percent recycling requirement
 - Example: Two SBs quotes with recycle content and one without, preference will favor bid with higher recycle content.

Legislation Tracking

- OPPL supervisor, Yuriy Sukhostavskiy, is tracking proposed and introduced bills.
 - DGS recommends agencies review new bills being introduced and provide feedback to Yuriy Sukhostavskiy at yuriy.sukhostavskiy@dgs.ca.gov.

Non-Competitively Bid (NCB) Requests

- NCB Unit
 - Dispute Resolutions Unit (DRU) which processes NCBs, TACPA preferences, protests, and public records requests has now been split into two units.
 - DRU and NCB units.
 - One IT supervisor and three specialist vacancies.
 - Only two NCB specialists currently in the NCB unit
 - Sarah Cering is the acting NCB unit supervisor until the IT supervisor vacancy position is filled.
 - Cheryl Angeles is assisting with the TACPA preferences, protests, disputes, and public records requests.
- NCB Requests
 - 50 requests received via the NCB portal.
 - Contract classification determination has greatly impacted processing timelines.
 - DGS in collaboration with CDT to process and expedite the classification of IT project-related procurements.
- Classification Quick Guide
 - HTML version is available on the PD website.
 - ADA remediation in progress and will be completed by the end of May.
 - Broadcast Bulletin to announce ADA-compliant classification quick guide.
 - Correct classifications reduce PD processing delays.