

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

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

**Date:** June 8, 2022

**Time:** 1 – 4 p.m.

**Location:** DGS Ziggurat and 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 1:05p.m. Attendance was taken; a quorum was present.

**Meeting Minutes and Past Action Items**

A motion was made by Phil Vermeulen and seconded by Merv Cutler to approve the December 8, 2021, meeting minutes. The motion passed without objection or abstention.

Leslie Fritz, OSDS Business Outreach Liaison reviewed the Strategic Plan notes:

1. The work completed by the biennial Strategic Plan at the March 9 meeting allowed the SBAC to look ahead, providing guidance for SBAC efforts the next two years. The strategic planning work began by focusing on defining roles and responsibilities of SBAC membership and the expectations for committee participation. After this review, the SBAC created goal areas and objectives for each goal.
2. After developing objectives, SBAC members prioritized the objectives within each goal area. The SBAC created eight to ten objectives, ordered by priority, for each committee to consider as part of their work for the next two years.
3. Committees were slightly revamped from our previous two-year plan.
  - a. Marketing was added to create the Outreach, Marketing, Education and Training Committee.
  - b. Procurement was added to the Processes Committee, and it will now be called Procurement Processes Committee.
  - c. Commercially Useful Function - CUF Committee remained the same.
4. We asked each committee to:
  - a. Review the objectives,
  - b. Choose which objectives the committee will begin to explore,
  - c. Consider adding language that explains the objective best, and
  - d. Determine what success would look like for those objectives

## DGS Updates:

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

### Updates/Reminders:

- We are at the end of our fiscal year which means a heavy workload. Currently everyone is very busy, so any delay in response is likely due to the year-end timing.
- Since we are headed into fire season, PD support has shifted away from COVID at the State Operations Center (SOC) and will go straight into fire season support as needed.
- PD has been busy executing large scale contracts. One specifically is an ePay contract that allows for credit card services at departments. Acquisitions (Branch Chief Carol Bangs) continues to award new contracts for this service.
- A policy regarding the [Target Area Contract Preference Act \(TACPA\)](#), has been released. TACPA is a result of AB 1574 (2021). A video to help small businesses navigate TACPA is being developed. A broadcast bulletin was released, and everyone is welcome to subscribe to receive these. (Find announcements at [Procurement Division \(ca.gov\)](#))
- OSDS is developing additional AB 1574 guidance which calls on departments to vary use of certified businesses.
- DGS Strategic Plan continues to be worked on. The plan is posted on the DGS website, and we welcome you to review it and identify if there are areas where you can support/participate.
- One PD strategic goal is to continue updating IT terms and conditions. We are working with the California Department of Technology (CDT) and Office of Emergency Services (OES) in this effort and have received initial comments from a variety of state departments and a few SBAC members. Requirements for contracting are in review. We will send out a finalized draft and hold a meeting for public comment.
- The other PD strategic goal is the development of a SB/DVBE Diverse Business Training. This is currently coordinated by the Statewide Supplier Diversity Program and Office of Small Business and DVBE Services (OSDS). This is a two-year goal. We are on track and will continue to reach out for feedback.
- The Consolidated Annual Report from FY 2020-21 release is delayed; however, the state missed both SB and DVBE goals. Emergencies were the majority cause of this and is a big reason for the shift to SB/DVBE Emergency Registry. This Emergency Registry is staffed by OSDS.
- DGS as a department, is very stable, but changes have occurred. The new Secretary of the Government Operations Agency (GovOps) is Amy Tong after Yolanda Richardson left. Also, just announced, Liana Bailey Crimmins is the new Director of CDT.

Carol Bangs, Acquisitions Branch Chief, Procurement Division provided an update on upcoming solicitations:

- Carol highlighted current Master Services Agreements (MSA) and Statewide Commodity Contracts. Many of the contracts will be divided allowing multiple awards. Solicitations can be found on this webpage: [How to do Business with California State Government](#) under the blue box labeled “Upcoming Contract Opportunities.” Upcoming contract opportunities are shown not only by DGS but by a variety of state departments.
  - Carol reported results on the Technology, Digital, and Data Consulting (TDDC) MSA: 330 contract awards, 189 were small business awards -- over half of awardees were SB but only 12 DVBEs were awarded. The goal is to increase DVBE awards after the next solicitation.
  - TDDC tiers are being reviewed. The previous MSA had three tiers and it is now four tiers. The lower tier is offered to help small businesses apply.
  - Carol provided instructions on how to find the TDDC Program by searching on the DGS website or under Cal eProcure. Questions can be sent to [DGSITConsulting@dgs.ca.gov](mailto:DGSITConsulting@dgs.ca.gov). Carol also provided the website for Award Notifications: <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Award-Notifications>
1. A question was asked on the current process of renewing MSAs. It was suggested to contact Acquisitions directly.
  2. A question was asked if a business is dual certified, does it count toward both SB and DVBEs. Carol asked if the Acquisitions Branch could clarify this in the future.

**ACTION ITEM**—Carol Bangs will provide presentation slides to the SBAC and clarify if the SBs and DVBEs awarded the TDDC MSA are dual certified for count accuracy.

### CalVet Update:

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 renewed the Interagency Agreement with DGS and it is extended for three years. This allows the departments to share resources, communicate well and support the DVBE program collaboratively.
- CalVet continues to conduct outreach to engage new businesses. Their [DVBE Request for Response Survey](#) allows the DVBE community and other interested stakeholders to request information about and give feedback on the CalVet DVBE program. They also help DVBEs with contract support and are tracking geographical data. The survey has received 56 responses since January 2022, 17% of the responses are from the Los Angeles area, showing a balanced distribution.
- The CalVet DVBE Council had a presentation by the California Public Utility Commission (CPUC) and their new certification because of SB 255 from a few years back.

- The DVBE Council will be releasing applications for new Council members on July 5, 2022, with applications due by August 1, 2022.
- CalVet continues to work with DGS on creating best practices for departments/advocates on how to do business with the state. CalVet recognizes that processes are different for each state department. CalVet is also connecting with departments to see what products/services they need certified DVBEs for and checking in on emergency needs. CalVet helps DVBEs to be visible and assists advocates in finding DVBEs.
- Questions for CalVet can be directed to [DVBE@calvet.ca.gov](mailto:DVBE@calvet.ca.gov)

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

Chris Earl, Southern California Regional Advisor, Statewide Procurement Lead, Office of the Small Business Advocate, Governor's Office of Business and Economic Development (GO-Biz), ([Chris.Earl@gobiz.ca.gov](mailto:Chris.Earl@gobiz.ca.gov)) provided the following updates:

- California Office of the Small Business Advocate (CalOSBA) continues to support small businesses in a myriad of ways – everything from grants to policy to access to capital.
- California COVID-19 Microbusiness Relief Grant Program provides \$2,500 grants to eligible very small businesses in California.
- Disaster Resiliency is a focus area and CalOSBA helps small businesses with strategic planning.
- Microbusiness Grant Program - CalOSBA created its own microbusiness definition to include businesses earning less than \$50,000 revenue and have less than five employees. This grant is commonly referred outside of the state as the "street vendor" program and offers microgrants up to \$2500.
  - Microbusiness COVID-19 Relief Grant (MBCRG) [County Contacts](#)
- Inclusive Innovation Hubs (iHubs<sup>2</sup>) focuses on ten specific areas of California selected through a competitive RFP process. The iHubs<sup>2</sup> will stimulate partnerships, economic development, and job creation for underserved geographic areas, industry sectors, and business owners.
  - [iHub2 | California Office of the Small Business Advocate \(CalOSBA\)](#)
- California Venues Grant Program is providing grants up to \$250,000 to eligible venues impacted by COVID-19. Upcoming program changes may occur due to budget adjustments.
  - <https://CAVenuesGrant.com>
- California Dream Fund is providing seed grants of up to \$10,000 to eligible startups created after July 2019 and is in conjunction with California Small Business Technical Assistance Expansion Program (TAEP) Network of Centers.
  - Still accepting applicants for this training program.
  - [California Dream Fund Program](#)
- California Nonprofit Performing Arts Grant program: Soon to be announced (July 2022), this program (\$50 million available) will provide one-time grants of up to \$75,000 to eligible nonprofit performing arts organizations to encourage workforce development.

- On May 15, 2022, Governor Newsom announced that California will be providing grants to the top ten hardest hit industries (by loss of employees) during the pandemic (total of \$500 million available). This funding source will not be for new businesses.
  - CalOSBA has asked for a \$20 million SB Retail relief program for retail thefts (not intended for smash and grabs for big box retail stores).
  - CalOSBA would like to partner on the Small Agricultural Drought Relief grant program for agricultural areas hard hit by the drought. This is the CA Department of Food & Agriculture program, but CalOSBA would administer this grant program if approved.
  - Hope to know about these new programs by mid-July.
1. Question asked if CalOSBA can group companies by demographics. Chris said it depends on the metrics, but CalOSBA does have some data available via a third party. CalOSBA reports on aggregate data per statute.
  2. Question about the retail theft program: will it be funded in the next budget cycle. Chris said he is unsure about the status for next year.
  3. Question about availability of funds: Chris said the California Dream Fund just reopened the applicant portal. It will be some time before awards are made. Also, it varies by county as some funds are managed at the county level.
  4. Question asked if the training sessions for the California Dream Fund are online or in person. Chris said 17 centers are designated to lead them and they dictate the format of the training – many are in person or hybrid.
  5. Question asked about placing potential protections in place for small businesses against theft. Chris said they are working with legislature and retail associations to come up with guidance. Law enforcement partners are better able to answer this – CalOSBA is more focused on providing relief to deter potential theft.

**ACTION ITEM**—Chris Earl, CalOSBA, will provide presentation slides and provide updates regarding retail theft protection.

1. A question was asked for assistance from CalOSBA to connect offline regarding contact with a local chamber of commerce.

**ACTION ITEM**—Danetta Jackson, Supplier Diversity Program Manager, will facilitate a connection between Council Member Danny Garza, Council Member Julian Canete, and the California Hispanic Chamber of Commerce.

### **Fi\$Cal Purchase Order Payment History Tool Demo:**

Matt Zweier, Business Outreach Manager, Department of General Services ([Matthew.Zweier@dgs.ca.gov](mailto:Matthew.Zweier@dgs.ca.gov)), presented the new Fi\$Cal Purpose Order Payment History tool:

- Matt gave a demonstration of the tool. This tool is a way to search for payment history of state department purchase orders including the date the invoice was approved for processing (as undisputed).

- The search can be conducted by a variety of criteria including supplier name, supplier/bidder ID, purchase order IT, department name, invoice number and more.
  - The search and a tutorial can be found here: [Microsoft Power BI \(powerbigov.us\)](https://powerbigov.us) and [PDF Tutorial](#)
1. Question was asked how it is different than SCPRS. Angela answered that it is specific to payments, not awards. It allows you to check on your own payments.
  2. Question was asked if a subcontractor can see their invoices to prime. Angela answered no but the subcontractor can see when the prime got paid. It is an added level of transparency.
  3. Question was asked about the payment date and prompt payment. Angela answered that the clock starts when the state department receives the invoice and has a set amount of time to dispute or accept the invoice. A concern was shared that a small business may have to resubmit an invoice without knowing why the business should resubmit and the clock may have stalled. Matt added that the “Invoice Received by Department Date” on the invoice details is the date the department accepted the invoice and the clock for prompt payment starts.

**Statewide Supplier Diversity Program Updates:**

Demeshia Swanson, Business Outreach Program Manager, ([Demeshia.Swanson@dgs.ca.gov](mailto:Demeshia.Swanson@dgs.ca.gov)) provided an update on the new collection of supplier diversity data:

- OSDS in collaboration with the Supplier Diversity program, launched on April 13, 2022, the new supplier diversity data collection in Cal eProcure.
- We are now collecting diversity data for all new businesses registering with the state and for currently registered businesses within their bidder profile on Cal eProcure.
- The diversity information is on: Ethnicity, Race, Gender Identity and Sexual orientation of the majority business owner(s).
- This information is strictly voluntary, but if the information is provided, you are authorizing the state to display your information publicly on your certification profile.
- Currently the information provided is not being displayed but may be in the future.
- The purpose of collecting this information is to allow the state to gain a better understanding of registered and certified business owner(s) demographics related to ethnicity, race, gender identity, and sexual orientation.
- This information will be used to determine where outreach is needed among various communities to support greater diversity in state contracting.
- This diversity information will not be used to grant preferences in state contracting.
- A communication about this new opportunity went out to all vendors and an FAQ was developed.
- You will be able to find more information and a copy of the communication by going to the [DGS Statewide Supplier Diversity Program](#) webpage.

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

- A page for all supplier diversity program info and FAQs on diversity information collection is located here: [DGS Statewide Supplier Diversity Program](#)
  - The SB/DVBE Training Program is in development. Content development surrounding pre-bid preparation topics has begun. Examples of pre-bid preparation include marketing, and CUF.
  - The Winter Business Showcase, previously held annually and run by Tanya Little, is coming back. Save the date for November 16, 2022. The event will be at the George Sims Community Center in Sacramento.
1. Question was asked about if mentor/protégé element will be included in the training program. Danetta answered that the mentorship portion is being considered as a secondary portion of the training program.
  2. Question was asked about the timeline of the training program. Danetta answered that the goal should be complete by the end of 2023. It is being developed in segments.
  3. Comment was made about the effectiveness of the radio and word of mouth to spread training opportunities.

### **OSDS Branch Updates:**

Leslie Fritz, OSDS Business Outreach Liaison, reported on OSDS updates:

#### **Certification Updates**

- The Small Business Gross Annual Receipts (GARs) limit was adjusted this year based on the biennial review per Government Code (GC) §14837(d)(3). SB increased from \$15 to \$16 million, SB-PW increased from \$36 to \$37 million, and Microbusiness (MB) will remain the same at \$5 million. The online application in Cal eProcure has been updated and Certification regulations are currently being updated.
- OSDS sent a communication to our customers on May 31, 2022. FAQs for GARs is posted on the OSDS website. Here is the direct [link](#) to the FAQ document.
- Currently, it is taking 4-6 weeks to process a certification request. If a business has a renewal application that is waiting for review, the deadline is extended up to two months to try to get renewals processed before their expiration date. Renewal notifications include information about the extension.

#### **Outreach Update**

- Emergency Registry: 638 suppliers, and 267 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.

- DGS sections and units were recently offered training by Outreach on how to search the Emergency Registry portal and how to download a buyers' report for their specific need. Outreach is waiting for the departments to request this training in preparation for fire season.
- Outreach participated in 23 events in the month of May.
- Upcoming Events scheduled for June & July 2022 are:
  - Government Contracting, June 7, 2022, hosted by the Southwest Veterans' Business Resource Center.
  - 4th annual Certify & Amplify Workshop, June 14, 2022, hosted by MCE.
  - Meet the Buyers, June 15, 2022, hosted by the San Diego, Orange, & Imperial Procurement Technical Assistance Center.
  - I'm Certified, Now What? June 15, 2022, hosted by the Northern California Chapter of the Elite Service-Disabled Veteran-Owned Business (SDVOB) Network.
  - Power Connect 2022, June 17, 2022, hosted by the Golden Gate Business Association.
  - How to do Business with California State Government, Thursday, July 7, 2022, hosted by the San Diego & Imperial Valley Small Business Development Center Network.
  - Inside State Contracting, July 14, 2022, hosted by the San Diego & Imperial Valley Small Business Development Center Network.
  - Government Contracting & Certification Summit, July 15, 2022, hosted by the CalTrans D11 on behalf of Black Entrepreneurs Leaders & Learners.
  - Prepare for the Fair, July 20, 2022, hosted by Caltrans.
  - I'm Certified, Now What? July 21, 2022, hosted by the San Diego & Imperial Valley Small Business Development Center Network.

OSDS invites you to view the Procurement Division Events calendar at <https://www.dgs.ca.gov/PD/Events> and to follow OSDS on LinkedIn at: <https://www.linkedin.com/company/dgs-osds>

**SBAC Committees' Updates:**

Charlotta Carter, Chair, Procurement Processes Committee:

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

- The Co-chair has been selected – Jai Sharma.
- Next meeting is scheduled for June 28, 2022.
- Committee meetings will look at items as prioritized in the Strategic Plan
  - Notification of small dollar opportunities – (Collaboration with Process/Outreach and Marketing Committee)

- Issue of large primes granted large procurements without leveraging small businesses as subprime (DGS)
- Creating more opportunities for more SBs by agencies and using more marketing with the outreach team (DGS support needed)
- Reduce the mandatory requirements that excludes new SBs (need input on who to involve)
- Expand Prompt-Pay practice from direct government agencies to primes adding more transparency (Not sure if this is this is a policy issue or legislative issue to pursue)
- Empower more SB Advocates to select new SBs (may involve DGS Policy)
- Provide transparency in MSA and CMAS process to navigate the process for more opportunities (training and marketing)
- Leverage Cal eProcure portal to store bid documents that are reused for more efficiency – especially references for SBs
- Transparency in timeline for bid response (quick when contractor already in pipeline)

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

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

- Committee met in May and will meet quarterly, if not more frequently, and will be assigning a co-chair.
- Want to work with Small Business Development Centers (SBDC) to establish more training.
- Plan to improve terms and conditions established by the state to ensure they do not exclude small businesses.
- Explore more technical training needs.
- Looking into pushing data out about small business opportunities rather than making businesses find/pull data.
- Thank you to Matt Zweier for assisting with using Microsoft Teams to connect this committee.
- Want to connect with other organizations/committees/councils to support each other's goals.
- Very interested in the mentor/protégé program.
- Would like to standardize RFP progress to help small businesses avoid duplicate work for each bid.
- Interested in creating a post certification event for businesses to know what is upcoming.
- Want to communicate with other committees so duplicative efforts are not done but instead are supported.

1. Question about mentor/protégé program and its status. Anda answered that it was put on the backburner to start with technical training and incorporate mentorship into it if interest exists.

Shaila Rao Mistry, Chair, Commercially Function (CUF) Committee:

CUF Committee Chair Shaila Rao Mistry presented on the committee's work/areas of interest:

- Committee's mandate is to ensure a certified business is not used as a pass-through.
- Committee success example is the passing of AB 1574.
- CUF is up to the buyer to screen for compliance and businesses fear retaliation; committee is seeking data that may tell the story about large companies using small businesses as pass-throughs. This data will serve as a baseline to create a measurement that can be used to determine if the committee's work was successful.
- Committee plans to develop tools for enforcement and compliance.
- Would like to see buyers additionally trained on CUF.
- Interested in getting an independent third party to investigate CUF compliance.
- Look into funding mechanisms that are recouped through small fee of contract.
- Want to see strict enforcement of penalties when violated and that the violation is known throughout the business community.
- Want to ensure small businesses have a fair opportunity to bid on state contracts and wants to be sure buyers have a forum to meet this desire.

Angela reminded the SBAC members that DGS cannot speak to or take a stance on legislation and SBAC meetings are not an appropriate venue to advocate for or against pending legislation.

1. A question was asked about CUF and the tension between subcontracting and CUF violation for microbusinesses and how they can stay competitive when they do not have resources. Angela said that this is a good example of an obstacle and challenged the committees to also bring solutions, not just obstacles.

**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:

Here are the bill names, the links to official legislative pages and a summary from Matt Bender so that you can review the bills:

**[SB 1478 – Archuleta](#) (Disabled Veteran Business Enterprises)**

This bill would amend Section 14838.5 of the Government Code, and to amend Section 999.5 of the Military and Veterans Code, relating to disabled veteran business enterprises. It would raise the SB/DVBE Option limit to \$500, 000 under proposed section 3, 14838.5, subdivision A, paragraph 2 – applies to services and information technology only. DGS has not taken a position on this bill to date. A fiscal estimate was asked of DGS by the bill authors. DGS analysis showed there may be cost savings from a reduced administrative workload - the SB/DVBE Option requires less work than conducting a full procurement. DGS analysis also showed there may be a

cost increase because, with only two required quotes, the lowest bidder, which could be a non-certified business, may not participate in the bidding process.

### **AB 2019 - Petri-Norris & Holden (Disadvantaged Business Enterprises)**

This bill would amend Sections 11148.5, 12098.4, 14836, 14837, 14838, 14838.2, 14838.7, 14839, 14840, and 14843 of the Government Code, and to amend Section 10111 of the Public Contract Code, relating to business development. This bill continues to move through the legislative process but has stayed the same.

### **AB 2974 – JEDE Committee (Small Business Procurement and Contract Act: federal Infrastructure Investment and Jobs Act funding)**

Introduced by Committee on Jobs, Economic Development, and the Economy (Assembly Members Cervantes (Chair), Choi (Vice Chair), Petrie-Norris, Ramos, and Smith)

This bill would place a reporting requirement on small business participation for specific federal fund sources associated with the Infrastructure Investment & Jobs Act. Some provisions have changed and are now surface transportation, drinking water and broadband. An outreach requirement is included to provide additional information about solicitations that will be supported by those funds.

### **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. Carol Bangs will provide presentation slides to the SBAC and clarify if the SBs and DVBEs awarded the TDDC MSA are dual certified for count accuracy.
2. Chris Earl with CalOSBA will provide presentation slides and provide updates regarding retail theft protection.
3. Danetta Jackson, Supplier Diversity Program Manager, will facilitate a connection between Council Member Danny Garza, Council Member Julian Canete, and the California Hispanic Chamber of Commerce.
4. DGS will convey prompt payment automatic payment penalty concerns/questions to Fi\$Cal as part of the updated system.
5. DGS will send information on the three bills presented to the SBAC by Matt Bender with links to the bills so that SBAC members can reach out to committees for discussion as they desire.

### **Public Comment:**

- Paul Guerrero commented that grants are still not contracts so they have no goals associated with them and would like to see it corrected.

**Adjournment:**

- The next meeting is scheduled for September 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.

A motion to adjourn was made by Phil Vermeulen and seconded by Merv Cutler. The SBAC meeting adjourned at 3:53p.m.