



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

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

**Date:** Wednesday September 6, 2023

**Time:** 1:00 p.m. – 4:00 p.m.

**Location:** Southwestern College Higher Education Center - 880 National City Blvd., Suite 7100 National City, CA 91950 and Zoom

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

**Recorder:** Mariela Medina, Office of Small Business and DVBE Services (OSDS) Bilingual Business Outreach Liaison

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.

#### **New Member Introduction**

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Catherean Mitchell and Andrew Chang, were welcomed and introduced by Angela Shell.

#### **Meeting Minutes and Past Action Items**

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A motion was made by Mike Sabellico and seconded by Lori Kammerer to approve the June 7, 2023, meeting minutes. The motion passed without objection.

Matt Zweier, OSDS Business Outreach Manager, reviewed last meeting's Action Items. The status of all Action Items was reported as completed.

1. Mike Sabellico to connect Merv Cutler with Danny Fitzgerald at the San Diego SBDC.
2. Provide council members with the link for Notice of Rulemaking Regulations for SB/DVBE.
3. Provide council members with OSDS presentation from last meeting.

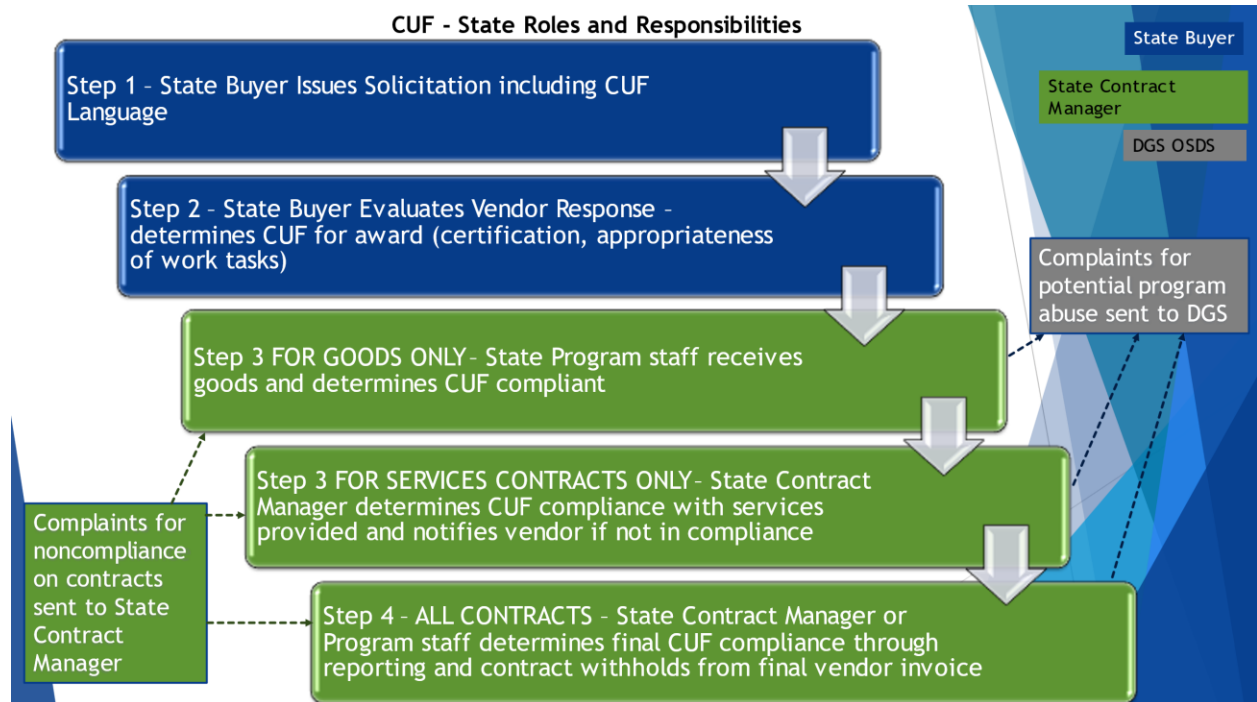
#### **DGS Updates**

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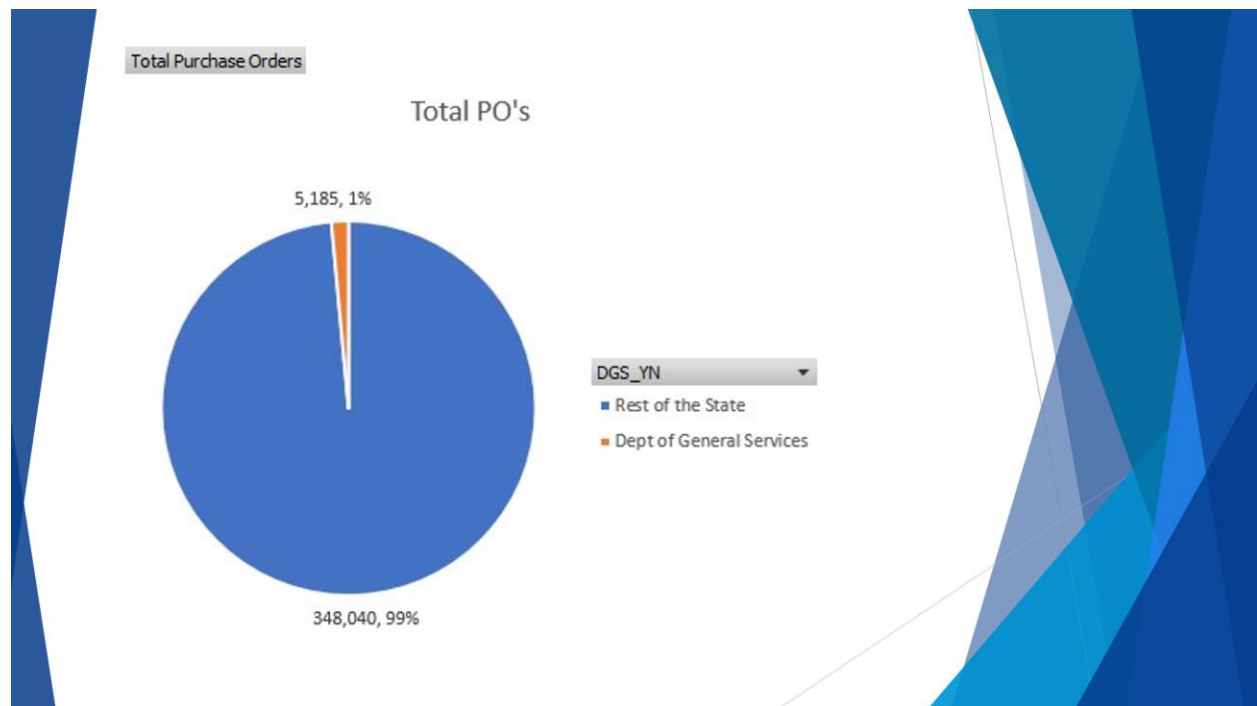
Angela Shell, Deputy Director, Procurement Division (PD) provided an update and reminders on DGS activity:

1. DGS continues to process procurements from last fiscal year.

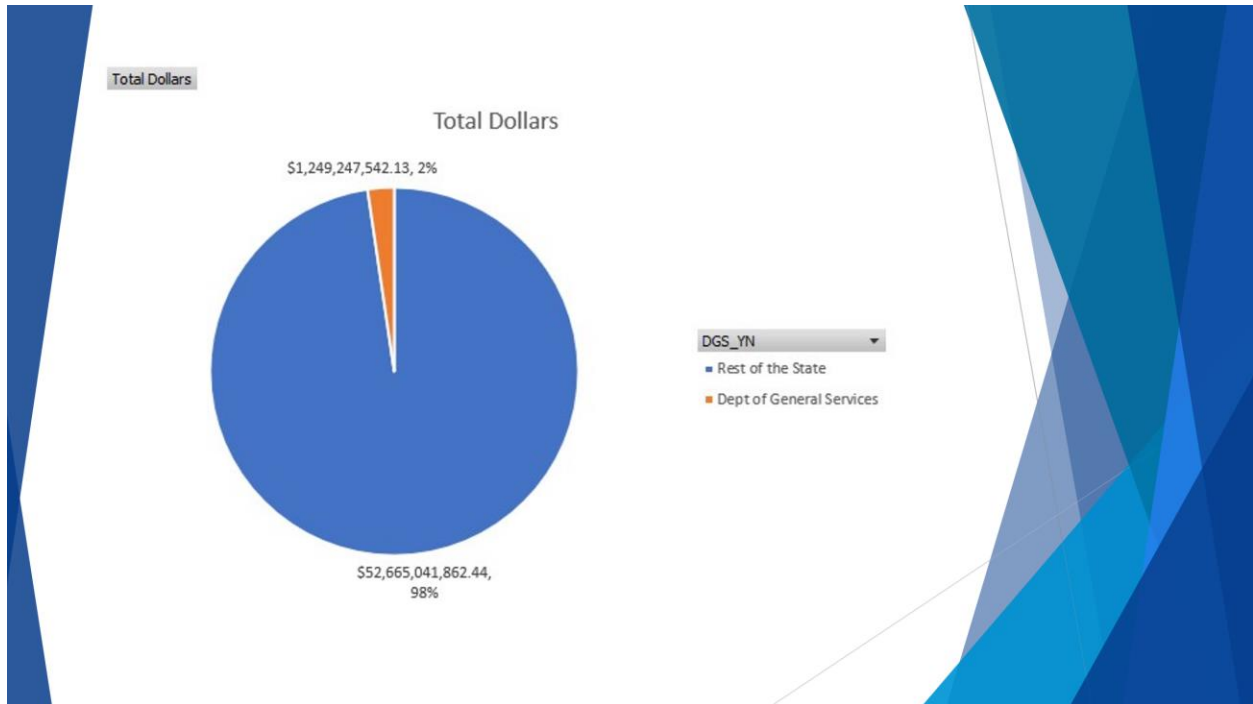
2. Positions approved through budget negotiations in outreach, training, and advocacy will help state departments with their efforts to meet requirements from AB 2019 and AB 1574.
3. Work on updates to FI\$Cal/Cal eProcure continues.
4. DGS continues to work on updates to the state's terms and conditions.
  - a. Still working on IT Standards.
  - b. Council has provided feedback already, public opportunity to provide feedback on terms and conditions is coming up.
  - c. Phase 1 update 1 is still on schedule for completion by the end of this calendar year.
5. The Governor's Office has asked DGS to participate in response to the Executive Order related to AI and technology. Current efforts are in the preliminary stages. More information will be shared when we know what is being asked of DGS.
6. SB/DVBE training class pilots will launch by end of calendar year.
7. State Roles and Responsibilities defined as it applies to CUF:
  - a. Step 1 - State Buyer Issues Solicitation including CUF language.
  - b. Step 2 - State Buyer Evaluates Vendor Response to determine CUF for award, i.e., certification, appropriateness of work tasks, etc.
  - c. Step 3 –
    - i. For Goods Only: the state program staff receives goods and determines CUF compliance.
    - ii. For Services Contracts Only: the state contract manager determines CUF compliance of services provided and notifies vendor if not compliant.
  - d. Step 4 - For all Contracts the state contract manager or program staff determine final CUF compliance through reporting, and contract withholds from final vendor invoices.
  - e. Chart provided to demonstrate the percentage of DGS purchases compared to the total state purchases.



f. Total Purchases



i. Total Dollars



**Member Questions or Comments**

Member: This CUF applies to SB and DVBEs and is the California requirement to be met by all state departments on state-funded contracts. In terms of federally assisted departments, departments such as Caltrans or High Speed Rail use the federal CUF when looking at Disadvantaged Business Enterprise utilizations.. It is crucial that people are very much aware of the difference. Because with the DOT, the only one under CFR 49 that has its own special CUF requirement that precludes anyone from drop shipping if you are under the federal CUF for DOT. The state CUF for SB and DVBE allows for drop-ship.

Angela Shell: Yes. The state definition for CUF performed by SB and DVBE comes out of the California Government Code and Military and Veterans Code. That is the one DGS issues guidance for state departments to implement CUF on individual contracts. The other federal CUF definition is with the Disadvantage Business Enterprises (DBE) Program which is a US DOT program that is implemented by CalTrans, and it is a different definition of CUF.

## CalVet Updates

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Jamie Jones, Chief of Veteran and Community Engagement, Veteran Services for CalVet, provided the following updates:

1. Keith Boylan was appointed as Undersecretary of CalVet.
2. Roberto Herrera has been appointed as Deputy Secretary of Veterans Services.
3. Fiscal year 2022-2023 DVBE goals were surpassed.

## NO Member Questions or Comments

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

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Chris Earl, Assistant Deputy Director & Southern California Regional Advisor, California Office of the Small Business Advocate (CalOSBA), provided the following updates:

1. Resources & Direct Assistance provided by CalOSBA:
  - a. Awards for the FY 23-24 period will be made within the next couple of weeks. The program start date is 10/1/2023.
  - b. \$26 million in ongoing funding was appropriated to permanently extend the CalOSBA Technical Assistance Program (102 providers statewide).
  - c. \$8 million from the General Fund will support Women's Business Centers.
  - d. Direct support through entrepreneurial education and 1:1 counseling and mentoring.
  - e. Local Assistance provided through a network of Small Business Centers.
2. Expanding and Proposed Grant Programs:
  - a. [Small Business and Nonprofit COVID-19 Supplemental Paid Sick Leave Relief Grant](#) is a \$250 million program aimed at providing reimbursement to small businesses with between 26-49 employees that incurred COVID-19 supplemental sick leave costs in the 2022 calendar year ([Assembly Bill 152](#)). Round 1 of the program is closed. The open date for Round 2 is not yet decided.
  - b. [Accelerate CA Inclusive Innovation Hubs \(iHubs<sup>2</sup>\)](#) is a \$13 million fund to expand services from ten to thirteen iHubs and add \$6.5M in acceleration grants to spur high-growth industries ([Senate Bill 193](#)). The first round RFP is complete. The second-round application is currently open and closed on 9/8.
  - c. [California Regional Initiative for Social Enterprises \(RISE\) Program](#) is a \$25 million fund to accelerate economic mobility and inclusion for individuals who experience employment barriers. Grant sizes will range from between \$250K to \$500K per award. ([Senate Bill 193](#))
  - d. [Small Agricultural Business Drought Relief Grant](#) – is \$70 million fund to assist qualified small agricultural businesses affected by severe drought. ([Assembly Bill 157](#)). \$25 million will assist qualified small agricultural businesses severely impacted by the flood. The program is live and

application window is currently open - [Drought | California Small Agricultural Business Drought & Flood Relief \(cadroughtfloodrelief.com\)](https://cadroughtfloodrelief.com)

- e. [State Small Business Credit Initiative \(SSBCI\) Technical Assistance Program](#)  
– The American Rescue Plan Act of 2021 reauthorizes the State Small Business Credit Initiative (SSBCI) Program. The SSBCI provides a combined \$1.1 billion to California to expand access to capital for small businesses and roughly \$25 million for statewide technical assistance support which will be led and managed by CalOSBA. CalOSBA will be issuing an RFP to deliver grant award to Technical Assistance providers.

Newsletter sign up - <https://calosba.ca.gov/newsletter-signup/>

Grants Portal - <https://cadroughtfloodrelief.com/drought/>

### **Member Questions and Comments:**

Member: Who are the technical assistance providers?

Reply: There is a large mix of providers such as Small Business Development Centers, chambers of commerce and non-profit organizations.

Member: Will RFPs come through the newsletter and how do we sign up?

Reply: The Grant RFPs are located on the California Grants Portal. Will provide link [here](#). Other RFPs will go through Cal eProcure.

Angela Shell: A link for the California Grants Portal will be provided in Cal eProcure in the upcoming future.

### **Legislative Update (bills may have changed status since September 6)**

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Matt Bender, Deputy Director of the DGS Office of Legislative Affairs, provided the following legislative updates:

1. [Assembly Bill 258 \(Reyes\)](#) – Creates a single portal combining access to contracts for small businesses with access to grants and technical assistance.
2. [Assembly Bill 157 \(Committee on Budget\)](#) - This bill expresses the intent of the Legislature to enact statutory changes relating to the Budget Act of 2023. The bill is close to being finalized.
3. The Public Utilities Commission through the [Clearing House portal](#) certifies firms that are women and minority owned.

### **Member Questions or Comments**

Member: Committee members are not aware that DGS doesn't have the ability to get involved in legislative action.

Member: Is there a replacement for Toni Symonds? In the past she would keep us up to date.

Matt Bender: Carla Castillo is the new consultant and Toni's replacement. The SBAC can suggest to Carla to join these meetings.

## Procurement Update

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Carol Bangs, Chief, Procurement Division, Department of General Services, provided the following updates:

### Upcoming Leveraged Procurement Agreements (LPA Contracting Opportunities)

#### Commodities Statewide Agreements

1. In development
  - a) Forklift and Pallet Trucks/Jacks
  - b) Traffic Cones
2. Current
  - a) Electronic Vehicle Supply Equipment (EVSE)
  - b) Enterprise Technology

#### Consumable Statewide Agreements

1. In development
  - a) Mayonnaise
  - b) Powdered milk
  - c) Tuna, Crackers
  - d) Bulk grains
2. Current
  - a) Pasta

#### Master Service Agreements

1. In development
  - a) Uniform laundry services
  - b) Temporary healthcare services

#### LPAs Recently Awarded

- a) Frozen Turkey – SB Prime
- b) Pudding Mix - SB Prime
- c) Pudding Ready to Eat – SB Prime
- d) Waffles - SB Prime
- e) Frozen Fish - SB Prime
- f) CHP Rainwear - SB Prime
- g) Alternate Fuel Medium/Heavy Duty Trucks & Vans
- h) Renewable Diesel – Two of the three awards include 25% subcontractor participation.

Find the latest upcoming contract opportunities [here](#).

#### SB/DVBE Emergency Registry

1. [Looking for SB/DVBE businesses to partner with us in Emergencies.](#)
2. Reminder to not forget to include 24/7 contact information.

## Member Questions and Comments

Member: I seldom see services in the IT realm in emergency response. How do you procure that?

Reply: Regarding IT, CalOES may handle these types of emergency services. CalOES does have access to the Emergency Registry database, which is the database that all departments access to solicit certified firms for goods and services, including IT.

## OSDS Program Updates

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Matt Zweier, Business Outreach Manager, Department of General Services, provided the following updates:

1. Certification Updates
  - a. As of 8/23/2023 the certification database included 15,506 SB/Micros, 3,981 SB-PWs and 1,843 DVBEs (including duals/triples).
2. SB/DVBE Supplier Training Unit
  - b. DGS strategic goal to launch an in-depth SB/DVBE training on “How to Do Business with the State” by the end of 2023 would like council members’ feedback on it.
  - c. The SBAC pilot sessions are scheduled to take place in November 2023 through Zoom. Members sent a “save the date” invitation.
3. Advocacy Support Unit
  - a. This unit helps state departments meet their mandated SB and DVBE contracting goals.
  - b. Hosted two “Best Practices” webinars for state departments on August 16. There were 423 attendees in the morning webinar and 127 in the afternoon webinar. The afternoon webinar was dedicated to departments with 2 million or less in contract spend and addressed their specific challenges.
  - c. The quarterly advocates meeting was held on August 10 and attended by 85 advocates.
  - d. The online Improvement Plan launched in September 2023.
  - e. The online advocate directory IT project tentatively scheduled to begin in October/November 2023.
4. Outreach updates – in the last three months there were 68 outreach events.
  - a. A partial list of organizations includes the California American Indian Chamber of Commerce, Regional Hispanic Chamber of Commerce, Greater Sacramento NAACP, California and Sacramento Black Chambers of Commerce, National Veterans Transition Services and Nor-Cal PTAC.
  - b. Upcoming events highlights partial list of events scheduled in the next three months-
    - i. 56<sup>th</sup> Annual California Native American Day, California Tribal Chairpersons’ Association & California Native American Heritage Commission.
    - ii. 13<sup>th</sup> Annual Veteran and Small Business trade Show, Southwest
    - iii. Veteran Business Resource Center
    - iv. 2023 WCOE California Annual Conference, Women Construction Owners & Executives.



- v. Latina BizCon, National Latina Business Women Association
- vi. Three-part webinar series for veteran, minority and women owned businesses.
- vii. DGS and Greater Sacramento NAACP Certification Workshop

See the full list of upcoming events on the event calendar webpage: <https://www.dgs.ca.gov/PD/Events>. Follow us on [LinkedIn](#)

### **Member Questions and Comments**

Member: Is information gathered from events to analysis to see if they're worthwhile?

Reply: We gather a lot of valuable information such as how many businesses we partner with, which are new businesses, do they have prior experience with State contracting, etc. This helps us better understand what we need to work on to better assist them. We are currently also working on an outreach tracking system, to help better assess our outreach efforts. Expected completion is March 2024.

Member: I am interested in data by UNSPC codes so I can know where this work is being done. Outreach is wonderful, but I am not delighted about getting more certifications, I am delighted with people getting business. In the construction arena, I am not seeing much work. What are you giving people that will enhance our membership and their ability to get contracts with DGS?

Reply: DGS does have a statewide procurement dashboard webpage at <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Intake-and-Analysis-Unit-Dashboards?search=dashboards>

Any business owner can go in and look at state spend for any UNSPSC. It uses past purchases from the [State Contracting and Procurement Registration System \(SCPRS\)](#) data.

Member- We need better training on how to look for this information and how to best utilize these resources. If we don't know how to access them or that they exist, it's not of any help to us.

Reply: Training and Resources which include videos can be found on the CalProcure website [here](#).

For more personalized assistance, [book a one-on-one consultation](#) with a DGS Business Outreach Liaison through Microsoft Bookings.

### **SBAC Committee Updates**

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#### **Procurement Processes Committee**

Committee chair Charlotta Carter presented the committee report:

1. Summary of key strategic priorities for 2023.
  - a. Passing of AB 1574 & 2019 is significant for SBs. An implementation strategy is needed including an evaluation to measure effectiveness.

- b. Discussion on Prompt Payment continues and the use of FI\$Cal along with other strategies to get SBs paid on time.
  - i. Could use communication, incentive and penalty as similar approach used by the Federal government.
  - ii. Establish training to help SBs better understand the payment process.
- c. Pursuing confirmation for a portal to simplify the bid process. There is an opportunity to collaborate with other agencies for a centralized portal that could potentially be co-funded.
- d. Update status on mentorship efforts, can we review best practices from the DOD Implementation?
- e. What is the status of the Group SB Council collaboration (DGS, Caltrans, High-Speed Rail Authority, and CalVet)?
- f. Company Spotlight is providing additional insight into SB issues.

### **Member Questions and Comments**

Mike Sabellico offered his knowledge of the mentor/protégé programs with the DOD, SBA and Caltrans programs, and his assistance with any internal mentor/protégé program.

### **Outreach, Marketing, Education, and Training Committee**

Committee chair Merv Cutler presented the committee report:

1. Of the 11 goals from the June 2022 meeting, were 5 remaining and as of August meeting, 3 out of 5 goals are complete. The goals are:
  - a) To expand and increase technical training.
  - b) Create an incubator program to allow more small businesses to get their foot in the door with state contracting.
  - c) The committee recommends that the Mentor/Protégé Program be a consideration.
  - d) Create pre- and post-certification outreach events.

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

Angela: RFPs are posted in a standard area in Cal eProcure for the required 10 days.

Reply: We'd like a more simplified process for submitting bids.

Angela: Let us know exactly what that means for your committee.

### **Commercially Useful Function (CUF) Committee - Committee chair Shaila Rao**

Mistry presented the committee report:

1. The committee set a goal to review CUF language, how CUF is applied, the implementation process and CUF enforcement.
2. In a recent meeting with DGS the committee learned more about CUF enforcement including violations, use of a CUF form, the role of buyers in determining CUF, and more.

3. The committee wants to know more about the marketing and distribution of DGS educational and instructional videos.

The committee is working on the following recommendations:

1. Explore how well business owners understand CUF, specifically looking at prime contractors and subcontractors
2. Better understand how business owners learn about CUF.
3. CUF forms used by state departments. The current forms are not comprehensive. Any self-certification of CUF by businesses has issues rooted in the broad interpretation of the CUF definition.
4. Explore third party CUF auditing at several key points of CUF evaluations and enforcement.
5. Highlighting specific context of CUF violations.
6. Focus on preventing CUF violations by looking at how the state receives bids, requests responses to solicitations, and evaluates bids.

### **No Member Questions or Comments**

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

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Matt Zweier, OSDS Business Outreach Manager, Department of General Services, presented the action items.

1. Send meeting presentation, including Carol bang's slides, after this meeting.
2. Send link to Cal OSBA [newsletter subscription link](#).
3. Provide council members link for [California Grants Portal](#).
4. Provide council members link to the [California State Assembly Committee on Jobs, Economic Development, and the Economy \(JEDE\)](#).
5. OSDS to give demonstration on the [Statewide Procurement Data Dashboards](#) at the December 6, 2023 meeting.

### **Public Comment**

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1. Phil Vermeulen – Betty Joe Toccoli passed away in June. There will be a celebration of life for her Tuesday, September 12th at the Sutter Club.

### **Adjournment**

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1. The next meeting is scheduled for December 6, 2023, and will be located at DGS Ziggurat (707 3<sup>rd</sup> Street, West Sacramento, CA 9560).
  - a) This is the last meeting and will close out the last 2 years of action items.
2. Strategic Planning Meeting for the next two years will be on March 2024.
3. A motion to adjourn was made by five members, virtual and in person.
4. The meeting was adjourned at 3:33pm.