

State Agency Recognition Awards 2012

Nomination Form

Type of Award: State Agency Recognition Award

Nominator's Information

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Agency Information

Name of Agency: California Department of Veterans Affairs (CaVet)

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Dept. Advocate: Gloria Anderson

Advocate's Phone: 916-651-3045

Department Head: Peter Gravett, Secretary

Areas of Impact

- Executive/Department Support (What type and how did you receive support?)
- Customer Service (What improved and how was it effective?)
- Contract Simplification (What caused the change and how was it implemented?)
- Electronic Commerce (How did this benefit SB/DVBE businesses?)
- Education/Outreach (What was developed and implemented?)
- Public/Private Partnerships (What new partnerships were formed?)
- Other (please specify) _____

Justification for Nomination *(Please use less than 1,900 characters including spaces)*

Project Objective: Increase the number of Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) firms by requesting CalVet vendors to apply for, or renew, State certification. A greater number of certified firms, especially those that could provide medical services to the 6 Veterans Homes, would increase the level of participation and enable use of the SB/DVBE Option more often for contracts up to \$249,999.99. More certified doctors, dentists, labs and therapists would also help other State agencies with similar needs statewide. Since CalVet encumbers dollars annually for multi-year contracts, there would be an increase in the level of SB and DVBE participation reported throughout the life of the contracts.

Methodology: CalVet Advocate reviewed over 270 service contracts for FY 2011-12. Vendors were screened to ensure a request was not sent to firms that did not qualify (out-of-state companies, non-profits, more than 100 employees, or not approved by California Secretary of State). CalVet Advocate identified 81 potential new SB/DVBE, and 50 service providers previously certified or due to expire during the project timeline. Potential new vendors such as dentists were also contacted at the request of Veterans Homes. CalVet Advocate sent via email or facsimile requests that CalVet vendors apply for certification or renew. Customized requests contained certification criteria and benefits, instructions to apply or renew online, the value of the vendor's contract, and appreciation for services provided. A copy was sent to procurement staff at the applicable Veterans Home. The vendor was asked to let the Advocate know if the company did not qualify, sought certification, or would like additional information.

Timeline: Time period was September 29, 2011 through July 31, 2012.

How did the Agency improve SB/DVBE participation? *(Please use less than 1,900 characters including spaces)*

Improvements:

- Project generated a lot of interest, and improved the knowledge of vendors and staff. This was especially true for medical professionals who were unaware of the programs.
- Advocate presented project at SB/DVBE Advocates Meetings and provided copies of requests sent to vendors as templates for use by other State agencies. State and CalVet procurement staff began to send similar requests to other potential SB/DVBE.
- CalVet Advocate networked with Advocates at California Department of Corrections and Rehabilitation (CDCR), Department of Mental Health (DMH) and Department of Developmental Services (DDS) and sent them information about new SB/DVBE.
- To help vendors reach procurement staff, Advocate expanded list of CalVet contacts to include information for CDCR, DMH and DDS Advocates located near Veterans Homes.
- Advocate discovered some vendors were certified but not identified in the system; 2 contracts were never executed; and 2 vendors went out of business and contracts were cancelled. System corrections increased percentage of participation.

Nomination # _____ (DGS use only)

Lessons Learned:

- The request was the key and had to:
 - Motivate to apply or call for assistance as process is complicated and time consuming,
 - Emphasize benefits and explain exactly how the benefits help the vendor,
 - Identify potential for increasing opportunities with State and local government,
 - Inform vendor of the firm's General Business information entered in the eProcurement system to minimize the creation of duplicate records, and
 - Provide sample Supplier Profiles of certified firms that provide similar services and goods.
- All agencies should adopt a similar project to review their contracts annually.
- It is imperative for advocates and procurement staff to work together.
- Inter-agency cooperation and information sharing improved overall results.

Results Achieved *(Please use less than 1,900 characters including spaces)*

- 10 out of 81 CalVet vendors (12%) approved for SB certification for the first time. One firm was also approved for DVBE certification.
- CalVet had contracts of more than \$412,500 with the newly certified SBs.
- 37 out of 50 CalVet vendors (74%) renewed their SB and DVBE certifications (34 SB only, 2 SB and DVBE, and 1 DVBE only).
- CalVet had contracts of more than \$2,896,897 with vendors who renewed their certifications after being contacted by CalVet.
- 13 out of 50 CalVet vendors (26%) went out of business, were no longer eligible for certification, or have not yet renewed their expired certifications.
- CalVet buyers are now recruiting more potential SB and DVBE vendors prior to solicitation of bids and quotes.
- CalVet buyers are networking with CDCR Advocates located near Veterans Homes.

CalVet vendors expressed great appreciation for the direct contact and assistance to apply for, or renew, certifications. CalVet Advocate contacted certified firms by telephone that could not be reached by the email address listed on the Supplier Profile. CalVet Advocate worked closely with the Department of General Services (DGS), Office of Small Business and DVBE Services (OSDS). OSDS was extremely helpful with requests for assistance to merge duplicate records, to update Supplier Profiles, and to apply online for certification.

Increase in SB/DVBE Participation *(Please use less than 1,900 characters including spaces)*

In FY 2010-2011, CalVet reported total contract dollars of \$44,262,007. A total of \$23,902,644 (54%) was for service (Non-IT) contracts. CalVet achieved 27.78% SB participation overall, but

Nomination # _____ (DGS use only)

only obtained 12.42% SB participation on service (Non-IT) contracts. CalVet achieved 55.10% and 28.42% for Goods (Non-IT) and IT (Goods & Services) respectively. The project focused on service (Non-IT) contracts since they had the greatest potential for increased participation (see table below).

CalVet FY 2010-2011 Small Business Participation

Type of Contract	Total Contract Dollars	% of Total Dollars	Total SB/MB Contract Dollars	% of SB/MB Participation
Goods (Non-IT)	\$13,273,567	29.99%	\$7,313,238	55.10%
Services (Non-IT)	\$23,902,644	54.00%	\$2,969,872	12.42%
IT (Goods & Services)	\$7,085,796	16.01%	\$2,013,830	28.42%
Totals	\$44,262,007	100.00%	\$12,296,940	27.78%

In FY 2011-2012, CalVet reported total contract dollars of \$33,535,036. CalVet achieved 28.59% SB participation, an increase of 0.81% in SB participation (see table below).

CalVet reviewed its service (Non-IT) contract data to identify the increase in SB participation as a result of this project. A total of \$15,852,460 (47.27%) was for service (Non-IT) contracts in FY 2011-2012. CalVet achieved 20.65% SB participation on service (Non-IT) contracts, an increase of 8.23% over the 12.42% obtained in FY 2010-2011.

CalVet FY 2011-2012 Small Business Participation

Type of Contract	Total Contract Dollars	% of Total Dollars	Total SB/MB Contract Dollars	% of SB/MB Participation
Goods (Non-IT)	\$11,518,728	34.35%	\$4,400,771	38.21%
Services (Non-IT)	\$15,852,460	47.27%	\$3,273,027	20.65%
IT (Goods & Services)	\$6,163,848	18.38%	\$1,912,268	31.02%
Totals	\$33,535,036	100.00%	\$9,586,066	28.59%

Nomination # _____ (DGS use only)