

**Department of General Services**  
**Procurement Division**  
**Meeting Minutes**

October 11, 2016

**Welcome- Michael Agullio**

- a) Michael Agullio called to order the regular meeting of the SB/DVBE Advocate Workshop at 1:03 pm on October 11, 2016 at The Department of General Services.
- b) The Advocate Toolkit on the DGS Website is out of date. Plans on updating.
- c) SARA Nominations
  - a. Call for videographer/ photographer, testimonials, and a singer.

**GoBiz Updates- Jesse Torres & Toni Simmons**

- a) Jesse Torres discussed updates for GoBiz, explained that this year was the 4<sup>th</sup> year in a row that they have received a federal grant in the amount of \$844,000 for training and partnering with organizations for exporting.
- b) November 7<sup>th</sup> a series of forums will be starting for CA-Made; a program for California based manufactures that have 85% of products made in state.
- c) Introduced Toni Simmons with the Committee of Jobs, Economic Development and the Economy (JEDE) with the California State Assembly.
- d) JEDE is 1 of 31 State Assembly Committees that is related to small business development and international trade infrastructure. Out of the 52 bills processed through their office 7 bills related to small businesses were successful and 10 bills related to disabled veteran's businesses were successful.
- e) Toni Simmons discussed the importance of the Consolidated Annual Report and how she uses these reports for bill analysis. She discussed the business climate of California as the 6<sup>th</sup> largest economy.
- f) California has many successes in the areas of finance and transportation and is one of the top performing innovative economies. However, after the recession, California has had a very uneven recovery due to geographic unemployment, lower education and a high poverty rate. Economies that have a high level of income disparity have the slowest growth spurts. This is the 1<sup>st</sup> time since WWII that children will not have a higher income than their parents.
- g) Woman owned small businesses are up 13.7%. Business ownership among African American women is up 67.5% and up 87% for Latino women.

### **CalVet Updates- Ivor Newman**

- a) Ivor Newman wanted to bring all of the advocates attention to their Resources Book Version 6 as this is a great asset to the DVBE community.
- b) Discussed the Outreach and Education objectives to increase the visibility, accessibility and utilization of the DVBE program through the State by providing advocacy and subject matter expertise to all state agencies.
- c) Veteran Service Division Update- Grand Opening over the new Central Coast Veterans Cemetery. CalVet's Mental Health Grant Programs effort to expand mental health services to Veterans.
- d) Roberto Herrera is no longer with CalVets DVBE Program.
- e) CalVet received a 17% response rate for their 2016 DVBE survey. There has been an overall 53% increase in DVBE registration. However, the poll was not positive.
- f) What is needed?
  - a. Assistance in identifying DVBE availability and capability gaps. And the factors restricting the increase in DVBE awards.
- g) Goals:
  - a. Increase the pool of DVBEs and their availability and capability.
  - b. Education for DVBE and maximize the benefits of the DVBE certification.

### **Disabled Veterans Business Alliance- Marty Keller**

- a) The California DVBA has been the model for most new alliances.
  - b) Goal to increase DVBE Participation at public and local levels. e.g. CPUC, L.A. Metro etc.
  - c) Call for DVBE information for this legislative year. Desire to make a new committee to discuss DVBE legislation.
  - d) DVBA has been trying to increase the DVBE First Option contracting limit to \$500,000 \
- e) If anyone in your organization is not familiar with the DVBE program, please see the video on the DGS website: <https://www.youtube.com/watch?v=L-vGwkJw6HU&feature=youtu.be>.

### **OSDS Reports- Dickson Owino**

- a) Statewide there was a 30% participation for Small Businesses and 3.77% for DVBE
- b) \$2.5 Billion was spent with SB Contracts.
- c) \$349 Million was spent with DVBE Contracts.

### **SB/DVBE Program Abuse- Carl Josephson**

- a) Program abuse can manifest in multiple ways:
  - a. Fraudulently obtaining contracts.
  - b. Fraudulently representing as a SB/DVBE participation in order to obtain a bid preference.
  - c. Fraudulently representing CUF to obtain a bid preference.
- b) Sanctions: Revocation of certification for 5 years for the first violation and 10 years for additional violations. Suspension from doing business with the state for 3-10 years. Misdemeanor which is punishable by imprisonment up to 6 months or \$1000 in fines. Civil penalties of \$10,000 to \$30,000 for first violation and \$30,000 to \$50,000 for subsequent violations. Plus, attorney's fees.
- c) The awarding department is responsible for maintaining detailed procurement files, getting the SB/DVBE Advocate involved, notifying OSDS early regarding suspected program abuse, investigating allegations of program abuse, and to always remember that the clock is ticking and that statute of limitations (Laches) apply to Program Abuse Cases. If program abuse is found the awarding department must submit a written report with a recommended course of action to OSDS within 60 business days. This report is a public document. OSDS recommend that the awarding departments legal office be consulted when preparing the report.
- d) OSDS is responsible for providing assistance to state departments, revocation of the SB/DVBE Certification, suspension from doing business with the State, and requesting civil penalties and recovery of costs.

### **DVBE Substitutions- Demeshia Swanson**

- a) DVBE subcontractors must be used unless a substitution is approved by OSDS. The contractor shall notify the DVBE of the intended substitution in writing, sent by certified mail.

### **Department Highlight: CAL FIRE- Mc Kensie Pimley**

#### **Adjournment**

Michael Agullio adjourned the meeting at 4:00p.

Minutes submitted by: McKensie Pimley,

Minutes approved by: Michael Agullio