

Small Business Advisory Council Meeting

Draft Meeting Minutes

June 8, 2016

Call to Order: Meeting called to order at 1:02 pm by Council Alternate Chair, Angel Carrera.

Attendance: Aubry Stone, Rachel Fischer, Stephen Martinez, Paul Guerrero, Audrey Jo Dean, Phil Vermeulen, Marty Keller, Betty Jo Toccoli, and Jerry Bircher.

The following SBC members attended via webinar: Doug Eldridge, Lee Cunningham, Jerome Toliver, Justin Adams, Julian Canete, Shaila Mistry, Lori Kammerer, Don Stoneham, Sharon Brown, Valerie Miles, and Savita Farooqui.

The following SBC members were absent: Elizabeth Overton, Evelyn Graham, Ruben Guerra, James Brady, Dan Ripke, and Rose Elena Saucedo.

The following DGS representatives were in attendance: Angel Carrera, Tanya Little, Ricardo Martinez, Anda Dragichi, Dickson Owino, Renee Alexander, Carol Bangs, Eric Mandell, Emma Cardenas, Tasha Nomura-Stewart, Catrina Blair, Tonia Burgess, Anthony Lewis, Michael Aguillio, Wayne Gross, Chuck Deyoe, Angel Hood (webinar)

Special Guests: Jesse Torres, of GoBIZ; Kathleen Webb, of Government Operations Agency; and, Keith Boylan, of Cal Vet.

Welcome and Introductions

Alternate Chair, Angel Carrera explained Council Chair Jim Butler would be delayed and would arrive later in the afternoon and also thanked everyone for attending. Mr. Carrera introduced a couple of new Council members: Rachel Fischer, who is the Deputy Director of the San Diego Contracting Opportunities and Samantha Beck, who is the alternate for Elizabeth Overton, of the Sacramento Metro Chamber of Commerce. Mr. Carrera then introduced a couple of new employees to the DGS' Office of Small Business & Disabled Veteran Business Enterprise (OSDS): Research Program Specialist, Dickson Owino and Angel Hood, who was hired as the Communication & Outreach's Southern California Customer Liaison.

Approval of March 2, 2016 Meeting Minutes

Alternate Chair, Angel Carrera asked for a motion to approve the March 2, 2016 SBC meeting minutes. Council member Paul Guerrero made a motion and Council Co-Chair Aubry Stone second. Motion carried.

Tour of Small Business Advisory Council web page

Tasha Nomura-Stewart, Customer Liaison for the Communication & Outreach Section at DGS, presented an overview of the Small Business Advisory Council web page, located at: www.dgs.ca.gov/

Council member Jerry Bircher requested easier access to the SB/DVBE Participation in State Contracting document be posted on the Procurement Division's Home page.

Marketing Video Update

Council member Jerry Bircher presented information related to the Small Business marketing video. A copy of his presentation can be found at:

www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/SBMarketingVideo060816.pdf

Council member Shaila Mistry asked if she could get a copy of the document Bircher presented. DGS staff stated the documentation would be posted to the SBC web page after the meeting. Council member Marty Keller stated that these types of videos were a more effective medium than print.

Legislative Update

Chuck Deyoe, of the Department of General Services, provided a legislative update on bills the DGS was watching. A copy of his presentation could be found at:

www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/LegislativeUpdate060816.pdf

Council member Paul Guerrero discussed previous legislation that classified micro/macro and small businesses. Mr. Guerrero suggested the Council talk to Kathleen Giuliani to raise the limit to \$22 million and to create set asides for small businesses to be in line with Federal regulations.

Contracts Update

Acquisitions Branch Chief, Eric Mandell provided an update on contracts. A copy of the One-Time Acquisitions could be found at:

www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/OTAContracts060816.pdf, as well as PD's upcoming solicitation document at: www.documents.dgs.ca.gov/pd/events/PDUpcomingSolicitations060816.pdf

Mr. Mandell also introduced Carol Bangs, who is now a manager in his Contract Management Unit.

Strategic Goals Update

Council Alternate Chair Angel Carrera made reference to the SBC's most recent Strategic Plan, which could be found at: <http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/2016SBCStrategicPlan.pdf>

Jesse Torres, Small Business Advocate for the Governor's Office of Business and Economic Development, first recognized Lynette Hall, of California Public Employees' Retirement System, for winning the 2016 Apex Award. Then, Mr. Torres, who is also the lead for the SBC Strategic Plan's 1st recommendation: Every department needs to adopt a SB/DVBE First Policy customized for their department, explained he

would be meeting with agency heads and interview them in regards to improving their participation numbers.

Keith Boylan, Deputy Director of CalVet, asked what limitations would be put in place regarding the SB/DVBE Option. Mr. Torres stated they had not looked into any limitations yet.

Council member Jerry Bircher, lead for Recommendation 2: Enforce Commercially Useful Function (CUF) compliance before, during and after contract award (to make sure businesses are doing the work they state they perform), stated there were still businesses cheating in regards to CUF. He explained he was working with OSDS in getting CUF information out to the businesses. A copy of his presentation could be found at: www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/CUFUpdate060816.pdf

Council member Paul Guerrero, lead for Recommendation 3: Make local governments apply state SB/DVBE rules (mandated to state issued grants going to local governments) when doing projects with state money, provided an overview from the April 5, 2016 Ad Hoc meeting. A copy of the overview could be found at: www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/2016StrategicPlanItem3MeetingAgenda040516.pdf

Angel Carrera asked Paul whether this item is now closed and Paul agreed that Recommendation 3 is now closed.

Angel Carrera read for Recommendation 4: Change language in the SB/DVBE statewide goal from “goal” to “requirement,” 25% of all state contract dollars to be awarded to SB/DVBE, provided no update and noted this Ad Hoc Committee did not meet.

Council member Marty Keller, lead for Recommendation 5: Development of tools to help analyze subcontracting data; consistency in subcontracting monitoring, stated this recommendation was in relation to Council member Jerry Bircher’s task force. Mr. Keller explained there were a number of concerns by SB/DVBEs related to prime contracts, which was also a current challenge for his colleagues at CalVet, as there was a lot of hearsay.

Therefore, Mr. Keller had decided to develop a 12 question survey to DVBE businesses, first, on their experience and knowledge of subcontracting. He explained the survey would go out shortly and he will report back at the September 14, 2016 SBC meeting with hard data and analysis.

Council member Paul Guerrero recommended Mr. Keller research construction section 4107-4104 in reference to subcontracting, as many businesses are unaware of their rights as a small business/DVBE.

FI\$Cal Update

Renee Alexander, manager for the Intake and Analysis Section at DGS, presented an update regarding the Financial Information System for California (FI\$Cal). She explained FI\$Cal was addressing some of the issues related to finding subcontractors within the system. Council member Rachel Fischer referred to the search queries and stated searching by North American Industry Classification Codes (NAICS codes) was not yielding results. Ms. Alexander stated she would talk to her more in detail off line.

Upcoming Outreach Events

Michael Aguillo, Customer Liaison for the Communication and Outreach section, explained information related to DGS' upcoming outreach events could be found on DGS' online event's calendar at:

www.documents.dgs.ca.gov/pd/events/SBDVBEevents.pdf, as well as the online event's mobile app at: <http://apps.cta.ca.gov/EMC/SBDVBE>. He also highlighted a couple upcoming events:

- July 12, 2016: IT & Professional Services Expo from 11:00 am – 4:30 pm at the AT&T Building (5001 Executive Parkway) in San Ramon;
- July 28: California Construction (Cal Con) Expo from 7:30 am – 4:00 pm at the Long Beach Convention Center (300 E. Ocean Blvd.) in Long Beach, CA;
- August 25-27, 2016: Ron Brown Business & Economic Summit from 8:00 am – 5:00 pm at the Los Angeles Sheraton Gateway (6101 W. Century Blvd.), Los Angeles, CA; and,
- September 21-23, 2016: California Hispanic Chambers of Commerce Annual Convention in Riverside, CA (note exact location TBD)

Lynette Hall, SB/DVBE Advocate for CalPERS, suggested justifications to attend such events be sent to the SB/DVBE advocates.

State Agency Visits Update

Tonia Burgess, Customer Liaison for the Communication and Outreach Section for DGS, presented an update regarding the State Agency Visits the DGS had administered. She explained the DGS met with 10 departments:

- Agricultural Labor Relations Board Office of Administration
- CA Housing and Finance Agency
- CA Arts Council
- CA Human Resources –who manages the administrative support for the State Personnel Board
- CA Science Center
- Delta Stewardship Council
- State Coastal Conservancy
- Governor's Office of Business and Economic Development (GoBiz)
- Office of Environmental Health Hazard
- Department of Managed Healthcare Services

In addition, the following high-level departments had or would be attended by DGS Executive management:

- CA High Speed Rail Authority – visit completed in May
- CA Public Utilities Commission – visit scheduled for June
- Department of Motor Vehicles – not scheduled
- Office of Systems Integration – not scheduled

She explained the DGS met with the department's Procurement official(s), contract official(s), and SB/DVBE advocate at each meeting and all departments were very receptive. Ms. Burgess explained

that the common challenges and barriers each department faced in meeting their SB and/or DVBE goals were:

- Large and multi-year contracts, statutorily exempt contracts by policy, interagency agreements with UC's and State Universities, contracts with Federal funds and non-profit organizations, mandatory contracts and leveraged procurements.
- A minimal pool of qualified DVBE's
- The combined reporting of contracts with administrative contracts for goods and services
- Reporting data does not accurately provide the information to justify why departments fail to meet one or both of their SB/DVBE contracting goals.

Jessica Spencer, SB/DVBE Advocate for the Department of Education, stated she appreciated DGS meeting with departments who are not meeting their goals and providing them with the tools to help them. She recommended information clearly defining CUF and pass throughs be provided to buyers, as well.

California High-Speed Rail Authority Update

Alice Rodriguez, manager for the California High-Speed Rail Authority (CHSR), provided an update regarding the High-Speed Rail project. A copy of her presentation could be found at: www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/CHSRUpdate060816.pdf. Council Co-Chair Aubry Stone asked if there would be a route through the Palmdale or Las Vegas area. Ms. Rodriguez said at this time there were no plans; however, down the road there could be. Tanya Little, Business Development Program manager for DGS, appreciated the CHSR posting their walkthrough information online.

Review of New Action Items

- Post the SB/DVBE Participation in State Contracting document on the PD Home page
- Send Shaila Eric Mandell's contact information
- Marty to report on data and analysis received from surveys received regarding SBC Strategic Plan Recommendation #5
- Notify Council when CUF information has been added to resource presentations
- Send list of upcoming events presented by Michael to Council

Public Comment Period

N/A

Alternate Chair Angel Carrera adjourned the meeting at 2:59 pm.