

Small Business Council Meeting

Minutes

September 14, 2011

Call to order: Alternate Council Chair, Eric Mandell called the Department of General Services (DGS) Small Business Advisory Council (SBC) meeting to order at 1:06 pm.

Attendance: The meeting was attended by the following SBC members: Lee Cunningham, Lori Kammerer, Rich Dryden, Paul Guerrero, Jerry Bircher, Aubry Stone, Stephen Simpson, and Evelyn Graham.

The following DGS representatives were in attendance: Jim Butler (Chair), Eric Mandell (Alternate Chair), Angel Carrera, Danetta Jackson, Catrina Blair, Tonia Burgess, Tasha Nomura, Tanya Little, Chuck Deyoe, Robert Ullrey, Araceli Campa.

The following SBC members attended via webinar: Doug Eldridge, Ken Ashford, Savita Farooqui, James Brady, Laura Harris, Patricia Linn and Linda Sarno.

The following SBC members were absent: Randall Martinez (Co-Chair), Renee White Fraser, John Kabateck, Chuck Lott, Dion Dwyer, Don Stoneham, Tracy Stanhoff, Tom Crawford, Ruben Guerra, Sandy Cajas, Stacy Heater Divine and Laura Harris.

The following guests were present: Lisa Rojas Campbell, Rose Ramirez Girard, Riley, Algerine McCray, Sandra Smith, Marvin Dean, Cynthia Sterling, Marty Keller, and Lorie Hall.

Welcome and Opening Remarks

Alternate Chair Eric Mandell stated that Council Chair Jim Butler was running a little late and Council co-chair Randall Martinez and Legislative Subcommittee Chair Chuck Lott would not be attending due to work conflicts.

Mr. Mandell asked everyone present to introduce themselves, as well as those available via webinar.

Approval of June 8, 2011 Meeting Minutes

Mr. Mandell requested a motion to approve the June 8, 2011 minutes. Mr. Dryden made a motion to approve the minutes, which was seconded by Ms. Lee Cunningham; motion carried.

GoED Update

Mr. Mandell stated that Mr. Keller, now CEO of the Small Business Revolution, had received a package in the mail recently stating he had been reappointed as the State's Small Business Advocate; however, he would not be returning to his previous role.

There were candidates that the Governor is looking at to permanently appoint to Mr. Keller's position. AB29 was on the Governor's desk awaiting signature.

. Ms. Cunningham asked if candidates, like Diana LaComb, could be nominated for Mr. Keller's position, which Mr. Mandell responded yes.

Council Chair Jim Butler and Council member Evelyn Graham arrived at the meeting. Mr. Butler apologized for attending the meeting late and thanked everyone for coming.

Statewide Procurement Task Force Overview

Mr. Butler stated in February 2011 the Bureau of State Audits asked the State to improve the re-competing statewide contracts. He also explained that Mr. Scott Harvey asked the DGS to implement the recommendations and not wait for the new Small Business Executive Order to be enforced. The first State Procurement Task Force meeting took place last week, consisting of members from the statewide community, small businesses, contractors, DGS staff and various State departments. The mission of this Task Force is to make recommendations to DGS about how to best balance the sometimes competing needs to get the best price for goods, and services and providing ample opportunities for small businesses and Disabled Veterans Business Enterprises (DVBEs) to compete for and win state contracts.

Mr. Butler explained that the DGS would not be directing the Procurement Task Force and its actions and recommendations but would only act as a resource, if needed. Mr. Dryden asked how the Council would find out about the meetings. Mr. Butler and Mr. Mandell stated that DGS would notify the Council. If any of the Small Business Council members had additional questions about the work being done by the Procurement Task Force, the DGS could provide or anyone could attend the meetings, if desired.

Mr. Marty Keller entered the meeting and was asked to introduce himself.

Small Business Council Strategic Plan Update / Discussion – Sub Committee Reports / Action Items: Charter Approvals and Amendments

Mr. Butler asked Mr. Mandell to provide an overview regarding the two sub-committees: Program / Policy (Co-chaired by Jerry Bircher and Aubry Stone) and

Legislative (Chaired by Chuck Lott who was not present but an overview was provided by Lori Kammerer).

Mr. Bircher of the Program / Policy Sub-Committee, explained that their group was tasked with drafting group priorities. Their number one priority was the Commercially Useful Function (CUF); second, unbundling all commodities out of large multi-faceted contracts; and lastly, departments' advocates need with top-down support. Ms. Kammerer was elected as the sub-committee's recorder. The Program / Policy sub-committee would meet every other week, at least 15 days prior to the next Small Business Council meeting.

Mr. Guerrero made a motion to approve the merger of the Program and Policy sub-committees into one subcommittee, which was seconded by Mr. Dryden; motion carried.

Mr. Guerrero made a motion to approve the recommendations made by the Program / Policy sub-committee, which was seconded by Mr. Dryden; motion carried.

Ms. Kammerer provided an overview of the Legislative Sub-committee for Chair, Chuck Lott. She explained their top priorities were: 1) changing language from "goal" to "requirement" regarding 25% of all state contract dollars to be awarded to SB/DVBE; 2) recommend that the State establish a credit arm to assist SB/DVBE with surety and bonding for State contracts; and, 3) pay SB/DVBE even when there is no budget – continuous appropriation; establish a timeline for primes to pay subs and re-raise prompt payment penalty (omnibus SB/DVBE bill).

Legislative / Budget Update

In conjunction with Ms. Kammerer's update, Mr. Ullrey was asked by Mr. Mandell to provide his update. He explained SB67 (Price) regarding the 25% Small Business participation goal was pulled and may be reintroduced next legislative session as a "bundled" bill. SB734 regarding the High-Speed Rail, which would provide a Small Business plan and 25% participation for micro businesses, went to Appropriations Committee. This bill was changed to SB733 and would be reintroduced due to the Governor's request. The Governor may be bundling some High-Speed Rail bills together come January.

Rubio's Bill SB497 regarding 5% preference to workforces based in California did not make it out of the state Senate. The DGS had issues with that bill also due to cap preferences, though Rubio may bring the bill back. Ms. Kammerer stated that she did not believe the bill would be returning next year because it would negate the 5% preference for small businesses.

Mr. Guerrero stated that there was a law in place that the Department of General Services' Director could establish a micro businesses preference and that was

something the DGS should consider. Small Business Council guest, Mr. Marvin Dean also agreed with Mr. Guerrero. Mr. Ullrey stated that the DGS was reviewing it but would not move forward until the Governor completed the bills currently sitting on his desk. Additionally, the Governor's Office was currently reviewing all the Executive Orders sitting on the Governor's desk and possibly bundling some together.

Proposal Dates for 2012 Meetings

The following dates were suggested for the upcoming 2012 Small Business Council meetings:

March 7 or March 14

June 6 or June 13

September 5 or September 12

December 5 or December 12

Ms. Catrina Blair requested that the Council members email her what dates they preferred by the end of the week. Once all the votes were in, Ms. Blair would send the dates based on majority votes.

2011 State Agency Recognition Awards (SARA) Update

Mr. Mandell explained the 11th Annual State Agency Recognition Awards would be held on November 3rd at the Citrus Heights Community Center.

Mr. Keller asked if nominations were still open, which Mr. Mandell responded with yes.

Prison Industry (PIA) Jobs Program

This agenda item was not discussed at the meeting, due to scheduling conflicts for Mr. Gary Bush of PIA. Mr. Bush would discuss the joint venture program at the December Small Business Council meeting.

Department of Water Resources Update

Ms. Lorie Hall provided her update regarding the Department of Water Resources (DWR). She explained that her department was down to 21.4% small business participation and 3.5% for DVBEs. The DWR was currently experiencing a challenge with IT purchases, though their commodities were outstanding. She also provided a list of upcoming projects available for bidding.

She explained Proposition 1E provided for construction contracts to which they awarded 23 contracts (11 went to small businesses). Ms. Hall explained their

construction dollars were over \$66 million. Architectural and engineering contracts were hard for them to award to small businesses, especially for specialized services. She stated Primes showed up at pre-bid conferences with subprimes already selected, which caused other businesses the inability to compete and be recognized.

Ms. Hall explained the DWR was reviewing policies for areas of improvement and making collaborative efforts in working with Department of Engineering and working to add a small business option.

Review of New Action Items

- Submit desired dates for 2012 SBC meetings
- Send SARA link for nominations
- Mr. Stone to provide DWR a list of appropriate suppliers
- Ms. Hall to send Mr. Mandell email about SB/DVBE option as it relates to A&E contracts
- Ms. Cunningham to provide Mr. Mandell a list of names of staff she spoke to regarding renting from small businesses
- Add Marvin Dean's academy information to the PD web site.

Public Comment Period

Riley Chaves thanked the Council for letting him speak and asked if the State had looked into how much money was being lost for not using a small business. He stated everything came down to price and it shuts out micro-businesses because they do not provide the same discounts as large businesses. Mr. Chaves explained there was the same issue of competition between DVBEs.

Mr. Dean thanked Mr. Mandell and Ms. Jackson for being such great supporters of the Kern County Regional Conference through certification. He provided a handout to the Council regarding their next conference academy, which he requested be posted to the DGS PD web site.

Council Alternate Chair, Mr. Mandell adjourned the meeting at 3:09 pm.