

Small Business Advisory Council Meeting

Minutes

June 11, 2015

Call to order: Jim Butler called the meeting to order at 1:05 p.m.

Attendance: The meeting was attended by the following SBC members: Aubry Stone, Ken Ashford, Marty Keller, Stephen Simpson, Paul Guerrero, Jerry Bircher, Evelyn Graham, James Brady, Justin Adams and Julian Canete.

The following SBC members attended via webinar: John Arena, Savita Farooqui, Jennifer Goode, Shawn Lewis, Don Stoneham, Leonard Ortiz, Valerie Miles, Alice Perez and Jerome Toliver.

The following DGS representatives were in attendance: Jim Butler, Alternate Chair Angel Carrera, Tonia Burgess, Catrina Blair, Danetta Jackson, Emma Cardenas, Anthony Lewis, Tanya Little, Brittany Heth-Tran, Eric Mandell, Haydee Guisti, Matt Bender, Ricardo Martinez, Bob Door, Nancy Huth, Demeisha Swanson and Wayne Gross.

Special guests included: Roger Anderson (Fi\$Cal)

The following Small Business /DVBE advocates were in attendance: Janet Laperle, Latoya Deon, Andrea Pina, Amber Van Alstyne, Shanton Tyson, Tracey Bowen, Jason Kenny, Mario Solis, Laurie Cootz, Nick Blair, Alicia Pierce and Nina Martinez.

The following SB advocates attended via webinar: Natalia Calderon, Yolanda Flores, Marie Ramos, Sammy Wong, Annabell Abeleda, Matt Freeman, Barbara Rogers, Wendy Bright, Dilgass Bezaqit, Matt Freeman, Rick Riley, Stacy Reid and Gloria Anderson.

Welcome and Introductions

Jim Butler thanked everyone for being present and asked Angel Carrera for any remarks before starting. Angel Carrera thanked everyone for attending but especially thanked the Small Business Advocates who were able to attend either in person or via webinar. Jim went over the housekeeping items and explained how to use the microphone system. Jim asked that everyone in attendance introduce themselves.

Approval of March 3, 2015 Meeting Minutes

Jim Butler accepted the motion to approve the March 3, 2015 meeting minutes. Aubry Stone moved the motion and Jerry Bircher second the motion. The motion was carried. A copy of the minutes can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/SBCMinutes030315.pdf>

New Governor Appointee

Jim Butler introduced new DGS Director Daniel Kim and directed the audience to his bio; his first day will be June 22, 2015. Jim has briefed Daniel on the SBC and will invite him to the next meeting. Jerry Bircher asked Mr. Butler if he had any sense on Kim's philosophy on small business, Mr. Butler said he has not been able to speak in depth about his philosophy but he believes Mr. Kim's philosophy will be the same as administration. Mr. Kim's biography can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/GovBAA061115.pdf>

Status of Meetings with other SB/DVBE Councils

Jim Butler informed the council of a status of the council of council's. He said that there are many council's throughout the state, some of the agencies he mentioned were: CalTrans, High Speed Rail Authority and Veteran's Affairs. Historically, Employment Development Department (EDD) had a council but it is not currently operating. Mr. Butler reached out to council Chairs, at the request of the DGS Small Business Council, to hold an annual "Council of Council's" meeting where all can collaborate on common issues and initiatives. Mr. Butler did not give a date on when he will be meeting with the other chairs but he hopes to have a date before the next DGS SBC meeting. Paul Guerrero asked Mr. Butler if he can request that these meetings be held in Sacramento. Marty Keller suggested meeting in Stockton. Mr. Butler said that the meetings will be held in Sacramento unless there is a request for another agency to host out of town.

PD Contract Update

Jim Butler introduced Eric Mandell, Chief of Acquisitions Branch, and thanked him for being present. Mr. Mandell thanked Mr. Butler for the warm welcome and stated that he is happy to come to the SBC meetings and bring updates and provide opportunities for small business. He introduced Haydee Giusti, One Time Acquisitions Manager, and indicated that she will be discussing contracts from the One-Time Acquisition (OTA) unit and any other contract opportunities coming up. Mr. Mandell provided the list of upcoming solicitations. The list can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/PSBCOppo061115.pdf>

In the Masters Services Agreement section, upcoming solicitations include: Infrastructure as aService (IaaS) and Platform as a Service (PaaS) in the cloud environment. Mr. Mandell said that this particular contract is heavily done by resellers

that tend to be SB/DVBE. Aubry Stone stated that unlike what is commonly being provided in the other government arenas, , being able to have these updates on what contracts are coming up is very beneficial.

One Time Acquisitions (OTA) Unit (under \$250K contract update)

Ms. Guisti began with explaining what her unit does. She stated that the OTA unit makes purchases for state agencies when the purchases exceed their delegated purchasing authority and that the items the unit purchases vary from floating toilets to tractors to fish tags. She referred to the list provided to the council, these solicitations should be advertised in the next 60-90 days. The list of items can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/DGSOTABidOppor061115.pdf>

Ms. Giusti indicated that most of these solicitations are competitively bid because most agencies have the SB/DVBE option for purchases under \$250K. Once they realize they do not have 2 SB/DVBE offers then they come to DGS to make the purchase on their behalf, then DGS will advertise on their behalf. She recommended that if you want to do business with her OTA, make sure you register on Bidsync because everything is advertised in Bid sync. She said that these solicitations should be awarded by September 2015. Ms. Giusti further explained that the OTA unit has a very quick turn around and most solicitations are advertised within 10 days. Aubry Stone asked if there is a big push for spending at the end of the fiscal year, Ms. Giusti stated that there is a government code that allows for an additional 90 days after the fiscal year cut off, however most agencies do wait until the last minute to spend their funds. Mr. Butler mentioned that there are many vehicle requests that are not on the statewide contracts.. Eric Mandell reminded the Council that they also procure services and subscriptions in the Information Technology realm that are suited for small businesses.

Jim Butler wanted to remind the Council how to access bids, and asked Anthony Lewis to do a demonstration on how to access solicitations and sign up for notifications through Bidsync. He also reminded the Council that they do not want to rely on the documents provided at the meeting, rather to what is advertised on Bid sync. Mr. Butler asked Danetta Jackson to remind the Council where to access resources that the Outreach section has for SB/DVBEs via the website. Ms. Jackson directed the Council to the Outreach Resource page. Tonia Burgess provided a quick snapshot of the webpage and the resources provided on the site. Wayne Gross stated that on the PD webpage under quick links you can find the instructions on how to register for bid sync for free and find the upcoming solicitations. Marty Keller suggested that the handouts provided in the meeting today be posted on the website, Mr. Butler confirmed that the handouts had already been posted to the SBC webpage. All the resources mentioned can be found at:

<http://www.dgs.ca.gov/pd/Programs/OSDS/CommunicationsOutreach.aspx>

DGS-Business Development

Tanya Little directed the council to the Business Development webpage and discussed additional resources for SB/DVBEs. She recommended that the Council direct their members to this site for additional resources. The resources can be found at: <http://www.dgs.ca.gov/pd/Resources/BusinessDevelopment.aspx>

Legislative Update

Matt Bender introduced himself as an alternate for Chuck Deyoe. Mr. Bender presented an update on bills affecting SB/DVBE programs. He also discussed updates on lawsuits, litigation and ADA violations per a previous SBC meeting request. He also let the Council know that if there is a bill they need more information about to let him know and can present at a later time. All the bills he discussed can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/BillsaffectSBDVBE061115.pdf>

Mr. Guerrero had a comment on AB 1430, and stated that his organization (La Raza Roundtable) will be opposing it because of the length of time required for a family owned business to be defined as a family owned business. Latoya Deon asked for clarification on AB 1125 Weber, Mr. Bender discussed the priority process and the lobbying that happens behind the scenes.

Mr. Keller stated that Disabled Veteran Business Alliance was a sponsor of AB 1445 to raise the SB/DVBE option, and their intention is to find another author and try again next year. Mr. Keller also asked about the status of the Roth Bill, Mr. Bender said it passed the Senate and is in the Assembly.

Review Ad Hoc Committee's Proposal on SB/DVBE Dashboard

Aubry Stone discussed the prior Ad Hoc Committee Meetings and the outcome of what was discussed. A copy of the notes from the May 5, 2015 meeting can be found at:

<http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/May5AdHocMinutes06112015.pdf>

Jerry Bircher went over the reason and purpose of the document that was created to identify which departments are meeting their annual goal. The document can be found at: <http://www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/SBDVBESCP061115.pdf>

The document indicating the status of goals would be made public. This document would benefit both the department and small business owner in identifying who is meeting their annual goals. It would also assist SB/DVBEs to market to those departments not meeting the goal.

Mr. Stone stated that it was a benefit having the advocates at the meeting and wanted their feedback on how this document can be an aid of assistance.

Laurie Cootz, the Department of Business Oversight, SB Advocate, said she read the notes from previous meeting discussing this idea. She said that some SB advocates would be embarrassed for not meeting their goals. She suggested an option for departments to add an explanation as to why they are not meeting their goal. She also discussed that there are some departments that are not able to subcontract because the majority of their contract dollars are going to large contracts. As an advocate, her department has reached her goal but she is concerned for other departments who have not.

Jason Kenney, Department of State Hospitals, SB Advocate, stated that many departments may not like the idea but the information is already public on the DGS website. He was concerned that there should be more when it comes to using this guide to assist departments, the document doesn't elaborate on what they need, so some SB/DVBEs maybe "flooding" the departments with information or marketing that is not needed. Mr. Kenney said that the vendor connection and department need isn't illustrated enough, there needs to be more.

Mr. Bircher continued and stated that when he has spoken to advocates, a frequent response he receives is the lack of support from management. Mr. Bircher expressed that the committee wants to see accountability from executive staff down, not putting all the responsibility on the advocate. The intention is not to be demeaning or derogatory to the advocates, it is to assist.

Mr. Stone asked if it would be possible if DGS would exclude some contract dollars from the Consolidated Annual Report. Mr. Butler said that, unfortunately there are no exclusions for departments that have huge contracts. Mr. Butler continued on to say that there are large contracts where there is opportunity for the SB/DVBE subcontractor, and maybe some "unbundling" needs to be done. Mr. Butler reassured the advocates that this job isn't just on the advocates.

Mr. Bircher said that this concept model was taken from the federal government because some federal agencies were not meeting their annual goals and in turn this idea opened the eyes of their executive staff to assist and promote SB/DVBE participation. The idea of this model is to achieve efficiency for state departments.

Angel Carrera explained the legend on the handout, and explained that the yellow in the matrix is an incentive and indicates that the department was "close" in meeting their goals. Brittany Heth-Tran explained the matrix: green means they met their annual goals, red means they did not meet their goals and yellow means they were close. Close means within 10% of their participation goal.

Mr. Bircher commended Ms. Tran-Heth for an exceptional job in creating the document.

Mr. Stone asked if anyone had an issue, comment or concern about the matrix. Mr. Keller asked to move motion of amending the new meaning of the red, green and

yellow. Mr. Guerrero seconded the motion, and recommended that the matrix should indicate for yellow “within 10% of goal”. Jim Butler carried the motion.

Mr. Carrera spoke to the issue on the duration of time that a department remains in their color category. He stated that if a department is red, they would be in red for the entire fiscal year. He then asked the Council and advocates if there would be a probationary period and what would that probationary period mean. Mr. Carrera spoke on the discussion of a mentoring program within departments, “teaming up” the red category departments with the green category departments. This mentoring program was discussed at the recent Advocate Workshop, and has already been established on an advocate level. The advocate mentoring program isn’t for the departments not meeting goals but for the new advocates. Mr. Carrera suggested that the mentoring program needs to pair up the similar departments based on size, need, types of purchases, budget, etc.

Mr. Carrera said that at the Ad Hoc committee meeting they discussed the red light/green light report and if it should include a hyperlink that goes to the past three years of contract dollars spent. Mr. Bircher asked if there is a way to hyperlink to a “get well” plan for each department. Mr. Stone then said that this specific discussion needs more time and the Ad Hoc Committee meeting will need to meet again. Mr. Stone suggested the Ad Hoc Committee meet on July 15, 2015 and get feedback from advocates on what the transition period looks like for the department and what do they want to see as far as processes. He asked advocates to give their input to Angel or staff before July 15, 2015. Mr. Stone said that his hope is to be able to bring back concrete ideas of what the transition plan will look like by the next Council meeting. Mr. Carrera stated that he would send an email to all the advocates requesting the information needed. He also informed the Council that the report will be housed on the DGS website, not the individual department websites.

Mr. Stone said the last component of the model was to promote the importance of using a SB/DVBE. Mr. Bircher wants the Council to create a document that shows the merits on using SB/DVBE. Mr. Butler asked if the Council would need assistance from staff in creating this document, and Mr. Bircher said they did indeed need help with the document but would much rather have a graphic to represent the importance of using SB/DVBEs.

Mr. Keller stated that ultimately the goal is to be able to meet with the leadership of the departments that don’t meet their goals, using the approach working together.

Mr. Stone shared a recent experience at a luncheon where they had a professor from Harvard discuss the impact on SB in various communities. He suggested having this speaker present on a panoramic view with utilizing SBs in the community. Mr. Stone thanked the Ad Hoc Committee members, Angel and Jim for their efforts. Mr. Keller thanked Angel as well.

Fi\$Cal Update

Roger Anderson stated that the project is a multi-year project and with any major project there will be adjustments to schedules. Wave 1 departments went live in July 2014 and the departments are completing month end close along with preparation for fiscal year end close.

Mr. Anderson said there were scheduling issues with Wave 2 with statewide procurement. The user acceptance testing was delayed by 30 days. The user acceptance started on June 1, 2015 and goal is to finish roughly by the end of July 2015. He also stated that the timelines for portions of Wave 2 is August 2015. The steering committee for Fi\$Cal approved changes to rollout of procurement functionality by December 2015.

Mr. Anderson reassured the Council that Bid sync isn't being turned off soon and there will be a transition phase before the system is completely phased to Fi\$Cal. He stated that a lot of the data for SB/DVBEs has successfully converted to Fi\$Cal.

Review of Action Items

The following items would be addressed at the next SBC meeting on September 2, 2015:

- Jim Butler will invite new DGS director to next SBC meeting.
- Brittany Heth-Tran to update red light/green light document.
- Aubry Stone will contact Harvard professor for more additional speaker information. .
- Angel Carrera will have a follow-up Ad Hoc Meeting to discuss input from SB advocates.
- Invitation will be sent to Jesse Torres for the next SBC meeting.

Public Comment

N/A

Jim Butler adjourned the meeting at 3:23 p.m.