

# Small Business Council Meeting

December 2, 2005 **PROPOSED**



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## **SBC Attendance**

The Department of General Services (DGS) Small Business Council (SBC) meeting was attended by: Rita Hamilton (Chair); Mariel Dennis (alt. Chair); Elisabeth Brinton (Co-Chair); Betty Jo Toccoli (alt. Co-Chair); David Long; Paul Guerrero; Calvin Lucas; Randall Martinez; Rob Porter; Iris Ching (SBC Liaison); and Eric Mandell, new manager of the DGS Procurement Division Communication and Outreach Section.

The Council welcomed new members: Larry Brooks, California DVBE Alliance; James Brady, CA Black Chamber of Commerce; Archie Garcia, CA Hispanic Chambers of Commerce; and Tracy Stanhoff, American Indian Chamber of Commerce.

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## **Absent SBC Members**

The following members were absent:

- Gene Hale, L.A. African-American Chamber of Commerce;
  - Kerry Osaki, Asian Business Association of Orange County;
  - Janet De Zonia; Sacramento Metropolitan Chamber of Commerce,
  - Aubry Stone; CA Black Chambers of Commerce,
  - Stephen McGlover, CA Community Connection Corporation
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## **Special Guests**

The following special guests participated in the SBC meeting:

- Dennis Trinidad, Governor's Office, State SB Advocate
  - Ron Joseph, Director, Department of General Services (DGS);
  - Andrew Chang, Chief Deputy Director, DGS
  - Michelle Ogata, Procurement Div., Assistant Deputy Director
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## **Opening remarks and comments by Mr. Trinidad**

Ms. Hamilton opened the meeting at 10:00 and welcomed attendees. Dennis Trinidad, State SB Advocate, Governor's Office, mentioned that he is participating in the development of the Governor's State of the State address and he urged the Council to watch it, as it would have important information for small business. He also shared that there were some large events coming up to showcase small business and he would coordinate those with DGS so that we could help publicize them. He mentioned that he is considering setting up a separate Board of Advisors.

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## **Presentation**

The PowerPoint presentation is posted on the SBC Web site at: <http://www.pd.dgs.ca.gov/smbus/sbcouncilmeetings.htm>

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## **Prior Meeting Minutes**

Elisabeth Brinton made a motion to approve the minutes of the September 2005 meeting and Rob Porter seconded the motion. Approved unanimously.

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## DGS Small Business Council Meeting, *continued*

### Status of Action Items

The SBC reviewed and provided input to a table of SBC Action Items from the September 2005 meeting and one with SB Council Issues that began with those brainstormed at the March 2005 inaugural meeting.

**Note:** Documents are available on the Web site with the December 2005 meeting materials. Updates will be combined into the single table for SBC Issues and posted on the Web site with March 2006 meeting documents.

- Member Guerrero requested that issues be broken down for each committee and provided to each Committee chairperson.
- Several members requested more guidance on committee operations. See the proposed changes to the SBC Charter (handout).

### California Strategic Sourcing Initiative (CSSI) Update

Terese Butler, Project Director, California Strategic Sourcing Initiative (CSSI) provided a project update on recent CSSI accomplishments:

- Reviewed current contract status and estimated savings on 13 CSSI contracts in place as well as the newest contracts:
    - Pharmacy Benefits Manager: Healthtrans (11/8/05)
    - PC Servers: TIG and Marketware (11/14/05)
    - Pharmaceutical Prime Vendor: Amerisource (11/30/05) (Note: this contract has no SB/DVBE participation)
  - Data was shared to show spend statistics on several categories, including very positive SB participation (presentation has details).
  - Mr. Trinidad asked for information on calculating estimated savings. There were questions on what enforcement mechanisms DGS had for spending off of the contracts. Mr. Trinidad requested details about the Office Supply contract challenges. Ms. Hamilton shared that DGS will host a forum for the next office supply contract to benefit from input and lessons learned. Ms. Tocolli will provide the SCO report to Mr. Trinidad.
  - The Council acknowledged the success of the Partnering Workshops for the maintenance, repair and operating supplies (MRO) bid.
  - Clarification of CSSI SBs partners was requested and provided.
- For more information see: [www.pd.dgs.ca.gov](http://www.pd.dgs.ca.gov) or call (866) 885-8344.

### DGS Update and Accomplishments -- Legislation

The PD Legislative Coordinator, Joyce Gibson, gave a Legislative Update on the bills identified below. A copy of the handout is on the Web site.

Statute (Author), Bill Number	Subject Matter / Description
Chapter 185 (Arambula), AB 348	SB Certification and Reciprocity per CPR recommendation GG21
Chapter 272 (Dutton), SB 837	Alternative Protest Pilot Project: repealed expiration and name changed to Alternate Protest Process
Chapter 381 (Maldonado), SB 828	Exempts credit card purchases for goods of \$2,500 or less from certain certification requirements; limited to \$7500 per year from each vendor per department.

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# DGS Small Business Council Meeting, *continued*

## DGS Accomplishments and Update – Legislation, *continued*

*Legislative update, continued:*

Statute (Author), Bill Number	Subject Matter Description
Chapter 451 (Florez), SB 115	Requires DGS to adopt policies/guidelines that would provide a DVBE bid incentive
Chapter 556 (Figueroa), SB 954	For IT contracts, requires DGS to: <ul style="list-style-type: none"> <li>• Develop policies and procedures for procurement and obtaining bids</li> <li>• Establish a centralized entity responsible for procurement methods</li> <li>• Develop uniform standards with two public hearings</li> </ul>

### Council Comments:

- AB 348: Member Guerrero request DGS provide name of Supplier/ Customer Advocate.
- SB 115: Member Guerrero suggested points should be added to the goal to be a real incentive.
- SB 954: Member Brinton thanked DGS for their work in getting the Bill passed. Member Porter suggested a process similar to the focus group used with SB 115. Member Brinton suggested implementation efforts be coordinated with the ongoing effort to modify the DGS IT general term and conditions.

## DGS Accomplishments and Update - OSDS

Mariel Dennis, Chief, Office of Small Business and DVBE Services (OSDS) briefed the Council on various **reports** requested at the September meeting (see Presentation). In the last 12 months, there has been an increase of 7.8% of new certified firms and 7.9% increase in the renewals of firms.

Ms. Dennis also briefed the Council on status of **various OSDS IT Projects**:

- BIS2SOS – The Council inquired if DGS had a communication plan (plan is in development). Council also requested a document that they could share with their members about the upcoming changes for certified firms. Member Toccolli mentioned a new law going into effect on January 1, 2006, about “fax spam” that will impact efforts to contact her members.
- BIS On-Line Certification
- BIS Enhancements
- SCPRS (State Contracting and Procurement Registration System) has 3 Projects; 2 are related to improving reporting capabilities
- BIS Web Keywords
- BIS SIC Codes (see separate discussion item)
- BIS On-Line Query Project – Complete

Ms. Dennis announced that a **DVBE Declarations Form, STD 834**, required by MVC Sect. 999.2 for a DVBE contractor or subcontractor that will provide materials, supplies, services or equipment, is now on OSDS Web site.

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## DGS Small Business Council Meeting, *continued*

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### DGS Accomplish- ments and Update -- OSDS, *continued*

**OSDS Legislative Issues** – Ms. Dennis briefed the Council on the impact of two new laws on SB/DVBE programs:

- AB 348 – Reciprocity. OSDS will conduct meetings with local governments to develop single small business application
- SB 115 – DVBE Program. OSDS will participate in meetings regarding implementation and provide updates on the Web

**DVBE Regulations Update** – OSDS completed 2<sup>nd</sup> draft of DVBE regulations and shared with DVBE Council in September (on OSDS Web site). Will revise draft regulations based on impact of SB 115 & put on Web site. Expect to submit for formal regulatory process 1<sup>st</sup> Quarter 2006.

**SB Size Limits** -- See handout. Director Joseph has concurred with recommended increase; DGS will initiate regulations. Council members asked to be notified of any public hearings so they could support increase of Small Business to \$12 Million; Micro-business to \$2.75 Million.

**Outreach** – Eric Mandell was introduced; Lori Okamoto reported:

- Reciprocity: 23 SB partners and 17 DVBE partners; Latest: Metropolitan Water District of Southern California (future SBC speaker confirmed)
- Events: DGS will be participating on Jan. 10 - Regional Transit Primes & Subs, Sacramento; and with CSU San Jose along with other CSUs (reciprocity program) and are planning about 9 SB Workshops in CA.
- E-Newsletter - *Golden Opportunities* draft distributed for comment
- New Brochure in process. "You're Certified: Now What?"- input requested
- Council comments:
  - Mr. Trinidad was asked to check into why State money given to local governments are exempt from State SB participation.
  - Mr. Trinidad also inquired about efforts to have the federal government accept California SB/MB certification.
  - Mr. Trinidad suggested using press releases to present informational emails to make easier for groups to share with their constituents
  - Mr. Garcia will provide a copy of federal legislation to Ms. Dennis about federal certification preempting state/local requirements.

**State Agency Recognition Awards (SARA)** was held on October 27, 2005.

- Recognized 3 agencies for best practices that enhanced SB/DVBE
- Advocate of the Year – Maureen Moss
- Agencies with most notable improvements in SB & DVBE participation
- New SARA Web page demonstrated - see handout on Web site

**CUF Focus Group** - OSDS held focus group on November 1, 2005, to discuss "commercially useful function" implementation. Recommendations:

- Agreed to "open up" OSDS determinations to State departments ASAP
- Where no OSDS review, OSDS can accept State dept. determinations of CUF (but OSDS will review at renewal)
- Take other government CUF determinations furnished by firms?
- Consider "provisional" certification for new firms for 2 years where don't have to demonstrate CUF. The Council did not favor this approach.

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**DGS  
Accomplish-  
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Update,  
*continued***

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**California Performance Review (CPR) Initiatives** – Ms. Dennis briefed the Council on the status of the 3 pending efforts for:

- GG 20, Self Certification
- GG 21, Reciprocity
- SO 66, Consolidated Reports

OSDS conducted a focus group held on November 8, 2005, and is evaluating the input and will develop recommendations for next meeting.

**SB/DVBE Advocates Update**

- DGS held a Customer Forum on November 16 for internal stakeholders, including Advocates, and reviewed much of the same information presented to the Council
- CDVA Advocate Workshops continue; Joy Rowan of CDVA briefed the Council on the workshop goals and future efforts
- Ms. Brinton said the toolkit update project was excellent and requested Advocates urge consistent contract templates be used by all agencies.

**Web Demonstration** – OSDS demonstrated other changes to its Web site in response to prior Council recommendations: enhanced financial resources information; reviewed how TACPA/EZA/LAMBRA Web sites work. Communications and Outreach will assist OSDS in continuing to enhance Web resources.

**Miscellaneous Council Comments**

- Member Guerrero requested language in the revised draft of a SB Executive Order to put teeth into the participation goals for agencies that fail to meet the goal.
- Member Toccoli recommended DGS follow up to participate in \$100 million training fund established by an SBC/Verizon lawsuit.

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# SBC Committee Updates

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## **Outreach Committee**

Mr. Martinez reported the Outreach Committee will:

- provide input on a draft brochure “You’re Certified – Now What?”
  - continue to strategize communication plans/needs on CSSI
  - finalize committee priorities and go over assigned actions
  - discuss teleconferencing for bidders conferences
  - focus on financing in 2006
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## **Legislative Committee**

Ms. Tocolli reported the Legislative Committee met on November 15, 2005, and began discussing their role and developing a mission statement; asked for guidelines from DGS management to better set their objectives.

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## **Commodities and Goods Committee**

Mr. Lucas and Mr. Brady announced the Black Chamber has a weekly national radio/Web program and may wish to feature DGS and the Council in the future.

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## **Contracting and Procurement Processes Committee And IT Goods and Services Committee**

Ms. Brinton and Mr. Porter reported that the Committees met on 10/27 (minutes are on the Web); both committees are working on common issues:

- Implementation of SB 954 ongoing
  - Pleased with progress on bonding issues and DGS communicating distinction between progress payments vs. phased deliverables.
  - Pleased with progress to renew the MSA for IT consulting.
  - Shared ongoing efforts on revising IT terms and conditions and the primary issues with them, including:
    - Larger firms asking SBs to be a pass-through (and CUF issues).
    - State’s contract provisions need to be reviewed to see if they would deter disaster recovery (citing the Gulf Coast hurricanes examples).
    - Financial issues of large firms that may no longer sell direct to the State requiring SBs to purchase licenses and include cost of software licensing in their consultant projects which may not be reimbursed until final project acceptance.
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## **Personal Services Committee**

Mr. Osaki was absent but had provided OSDS with results of an informal survey of several members of his association about State contracting issues. His email was shared with Council members.

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## **Construction Committee**

- Mr. Guerrero reported ongoing work with RESD on Design/Build improvements
  - Mr. Guerrero continues to follow a rebid RESD project at McClellan and suggested it be treated as an emergency using a process similar to one used by the Dept. of Corrections and Rehabilitation. Mr. Guerrero asked OLS to research process for steel contracts when bid exceeds estimate.
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## SBC Conclusion

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### Discussion Items

- Replacing SIC Codes Exploratory Discussion -- survey distributed. Council members were asked to review and provide feedback by 1/3/06.
  - Draft SBC Charter Revisions (Handout) -- comments requested by 12/31/05 (revised to 1/3/06).
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### Public Comment

No members of the public provided comments

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### Chair's Closing Comments

The Chair reminded the members:

- Please schedule committee meetings and notify Iris at least 14 days in advance so that the 10-day notice can be posted on the Web as required by the Bagley-Keene Act
  - New members were asked to select a committee on which to work and to contact the Chair of that committee to volunteer
  - Member Toccoli requested that having one meeting in 2006 in Southern California to spread travel costs among the members.
  - The next SBC meeting is Wednesday, March 22, 2006, at the DGS Headquarters, the Ziggurat Executive Dining Room, 707 3<sup>rd</sup> Street, from 10:00 am to 4:00 pm.
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### Adjournment

The Council adjourned at 2:40 pm.

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Rita Hamilton  
Deputy Director  
Procurement Division