

Small Business Advisory Council Meeting

Minutes

December 4, 2013

Call to order: Co-Chair Aubry Stone called the meeting to order at 1:05 p.m.

Attendance: The meeting was attended in person by the following SBC members: Aubry Stone, Stephen Simpson, Ruben Guerra, Leonard Ortiz, Ken Ashford, Lori Kammerer and Valerie Miles.

The following SBC members attended via webinar: Sandy Cajas, Patricia Linn, Cecelia McCloy, Paul Guerrero, Debra Roak, Jerry Bircher, Rich Dryden, Evelyn Graham, Don Stoneham, Doug Eldridge, James Brady, Janelle Green, Phil Vermeulen, and Savita Farooqui,

The following SBC members were absent: Ken DeVore, Jennifer Goode, Linda Sarno, Tracy Stanhoff, Tom Crawford, Lee Cunningham, Stacey Heater Divine, Scott Hauge.

The following DGS representatives were in attendance: Jim Butler, Angel Carrera, Danetta Jackson, Catrina Blair, Yolanda Hazewood and Cecil Rowe. Tasha Nomura-Stewart, Tanya Little, and Charles Deyoe all attended via webinar.

Special guests included: Keith Turner, of Turner Construction and Sherif Morcos, of the MorcosGroup., and Nancy Ullrey attended via webinar.

Welcome and Opening Remarks

Council Co-Chair Aubry Stone wished everyone a Happy Holidays. Mr. Stone indicated starting 2014 with a clean slate as we move forward into the new year. Chair Jim Butler thanked everyone for their commitment to the Council and mentioned that Agency Secretary, Marybel Batjer would be invited to attend future meetings.

Approval of September 4, 2013 Meeting Minutes

Council Co-Chair Aubry Stone asked for a motion to approve the September 4, 2013 minutes. Motion made by Stephen Simpson; Second by Leonard Ortiz.

Deputy Director Update

Chair Jim Butler reviewed the action items listed within the minutes of the previous meeting. Stated Tab 3 of the Agenda packet announced the appointment of Eric Mandell to the Acquisitions Branch and Angel Carrera to the Office of Small Business & DVBE Services (OSDS).

Mr. Butler thanked Tanya Little and Danetta Jackson for stepping in as Acting Chief for OSDS for the last six months.

Small Business Size Standard

Tanya Little, DGS manager in OSDS, discussed the Small Business Size Standard, specifically the average gross annual receipts (GAR) limit, under Tab 5 of the Agenda Packet. She stated the DGS Director was in charge of raising or lowering the threshold based upon the California Consumer Price Index (CCPI). Ms. Little also shared the threshold was not lowered when it dipped below \$14 million due to the economic downturn in recent years.

Council member Stephen Simpson commented that there were different industry groups and expressed whether or not a cap like this should apply to all small businesses. He asked about businesses that go over the caps. Ms. Little stated manufacturers are not held to the 14 million limit. However, they are limited to 100 employees. The statute give the Director the authority to establish standards based upon industry type. She also mentioned a regulatory rulemaking would be required to enact changes.

Ms. Little stated the CCPI will be reviewed during the first quarter in 2015 to determine if the threshold requires a change. To view more information regarding this issue, go to: www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/EscalationAnalysis051413.pdf.

Legislative Update

Chuck Deyoe, of the DGS provided a legislative update and stated the last legislative session ended in August. Mr. Deyoe summarized the Chartered Bills the DGS was currently watching. For a list of those legislative bills summarized, go to: www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/LegSummary120413.pdf.

Mr. Deyoe mentioned the DGS was working with the Office of Legal Services on AB 906. Co-Chair Aubry Stone asked about SB399 regarding Prompt Payment. He stated it had been vetoed and asked whether it could be resubmitted. Mr. Deyoe stated the Legislature could resubmit the bill but it would have to go through the complete process again. Mr. Stone asked why the bill had been vetoed in the first place; Mr. Deyoe stated the Governor had conflicts regarding issues with providing to bigger businesses, emergency purchases and that penalties could not be paid through equity. Mr. Deyoe stated he would provide additional information to the Council.

Mr. Stone asked if there was anything being introduced in the future. Mr. Deyoe stated nothing would happen until January. He explained there could be bills stuck in the policy committee; some bills could come back, if stuck in the fiscal committees; and that some bills would not come back at all. Council Chair Jim Butler requested that Mr. Deyoe provide the Council with information on all vetoed bills related to small business.

RESD Update

Yolanda Hazewood, of DGS's Real Estate Services Division (RESD), provided background information as to the purpose of their division. Their Deputy Director, Sheval Gates, formed an outreach program to make sure Small Businesses (SBs) and Disabled Veteran Business Enterprises (DVBEs) were aware of all the products and services RESD had to offer. For more information about the products and services offered by DGS RESD, go to:

- www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/UpcomingConstructionProject.pdf and
- www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/ServiceforBid120413.pdf

Ms. Hazewood stated their Building Property Management Branch offered a lot of opportunities for SBs and DVBEs to take advantage of. This Branch was currently creating a list of SBs and DVBEs to send opportunities out to.

Council member Ken Ashford asked about the handout and when those projects would take effect. Ms. Hazewood stated that the handout had to do with projects they had in the future and would be available on BidSync. Handouts would be available online for all Council members

Council Co-Chair Aubry Stone asked whether RESD was working with a general contractor to oversee all their buildings. Ms. Hazewood explained that those opportunities were offered on a case-by-case basis.

Mr. Stone commented that no one from the Administrative Office of the Courts (AOC) had been in contact with the Black and/or Hispanic Chambers of Commerce in regards to upcoming bids for their projects. Council member James Brady agreed with Mr. Stone regarding the AOC's lack of outreach to the SB community.

Council Chair Jim Butler stated members from AOC would be invited to the next SBC meeting to discuss their outreach efforts and how they market to the SB/DVBE business community.

Ms. Hazewood stated Cecil Rowe and herself would be traveling throughout California to promote DGS' RESDs outreach efforts. If any Council members required their assistance, they would be available.

Capital Improvement Projects / MWD

Council member and representative of the Metropolitan Water District of Southern California, Ken Ashford, provided a presentation regarding Bay-Delta Initiatives Update, which could be found at:

www.documents.dgs.ca.gov/pd/smallbus/SBCouncil/MWDPresentation120413.pdf

Mr. Ashford stated these delta initiatives provided business opportunities for the next 20-30 years.

Mr. Butler thanked Mr. Ashford and Council member John Arena for hosting the meeting.

Prison Industry Authority (PIA)

Prison Industry Authority representatives Jamie Halford and Jose Quiaoit were unavailable to present as they had technical difficulties via the webinar. The DGS stated they would present at the next SBC meeting.

Review of Action Items / Proposed Dates 2014

Council Chair Jim Butler stated the Council needed to decide on 2014 meeting dates. Tab 8 of Agenda Packet listed proposed dates and each member would need to contact DGS employee, Catrina Blair regarding their recommendations for proposed dates.

Mr. Butler also discussed attendance of the Council. Ms. Blair provided review of the attendance policy and stated an inquiry would be sent to all members as to whether they wished to continue sitting on the council. If so, Mr. Butler asked that members reapply for their seat and that any available seats on the Council would be addressed at a later time.

The following list was a review of next meeting's action items:

- PIA presentation
- Provide information of vetoed Legislative bills
- Breakout session to revisit the 2011 Strategic Plan
- Discussion regarding SSI contracts and off-ramps
- AB173 status and SB 399
- Discussion of reverse bidding
- Invite the Administrative Office of the Courts to present

Public Comment

Mr. Sherif Morcos asked if there was a chance to have one uniform SB standard. Council member Ken Ashford mentioned there had been conversation among public agencies regarding a unified certification program. Alternate Chair Angel Carrera stated that the State did have reciprocity relationships with other public agencies. Ms. Danetta Jackson stated the problem had to do with the size standards of each agency. Mr. Ortiz asked how many cities were currently signed up for DGS' reciprocity program. Ms. Jackson stated she would provide the answer at the next meeting.

Council Co-Chair Aubry Stone commended Mr. Carrera publicly as being a person with a voice and always looking to get the answer when he did not know.

Council member Rich Dryden brought up the issue from the previous meeting regarding equal to or less than. He asked if there was an update. Council Chair Jim Butler stated it would be discussed at the next meeting.

Co-Chair Aubry Stone adjourned the meeting at 2:35 p.m.