



Department of General Services Small Business Council

December 2, 2005

The Department of General Services, Procurement Division

Visit www.pd.dgs.ca.gov/smbus - click on Small Business Council

Welcome and Opening Remarks

Rita Hamilton, Deputy Director
Council Co-Chair, DGS

Opening Remarks

- Themes: *Access, Opportunity & Ownership*
- Issues and Action Items
- Procurement Division Reorganization
- DGS and Office of Small Business & DVBE Services Update and Accomplishments
- Continued momentum on California Strategic Sourcing Initiative (CSSI)

Opening Remarks, continued

- Committee Reports
- Discussion Items:
 - Explore replacing SIC Codes
 - Charter Revision

Approval of Minutes & Housekeeping

Maribel Dennis, Chief
Procurement Division, Office of Small
Business & DVBE Services

Housekeeping

- Sign In Sheet (optional per Bagley-Keene Open Meeting Act)
- Emergency evacuation information
- Messages - **OSDS (916) 375-4940**
- Cell Phone Courtesy
- Rest Rooms -- Breaks – Smoking Policy
- Handouts (materials on the Web site at www.pd.dgs.ca.gov/smbus)
- Public Comment allowed for each discussion item and at end. The Council will not comment.
- Approval of Minutes of last Meeting

Status of Action Items From Last Meeting

- Please see Action Item handout
- SB Council Issues Matrix – updates?

DGS Accomplishments and Update

Legislative Update Statutes of 2005

Joyce Gibson,
PD Legislative Coordinator

Chapter 185 (Arambula), AB 348

- Small Business Certification and Reciprocity
- Core statewide small business application

Chapter 272 (Dutton), SB 837

- Alternative Protest Pilot repeal date extended
- Changes name to Alternate Protest Process

Chapter 381 (Maldonado), SB 828

- Exempts credit card purchases of goods of \$2500 or less from certain certification requirements.
- Limited to \$7500 per year from each vendor.

Chapter 451 (Florez), SB 115

- Requires DGS to adopt policies and guidelines that would provide a DVBE incentive to bidders

Chapter 556 (Figueroa), SB 954

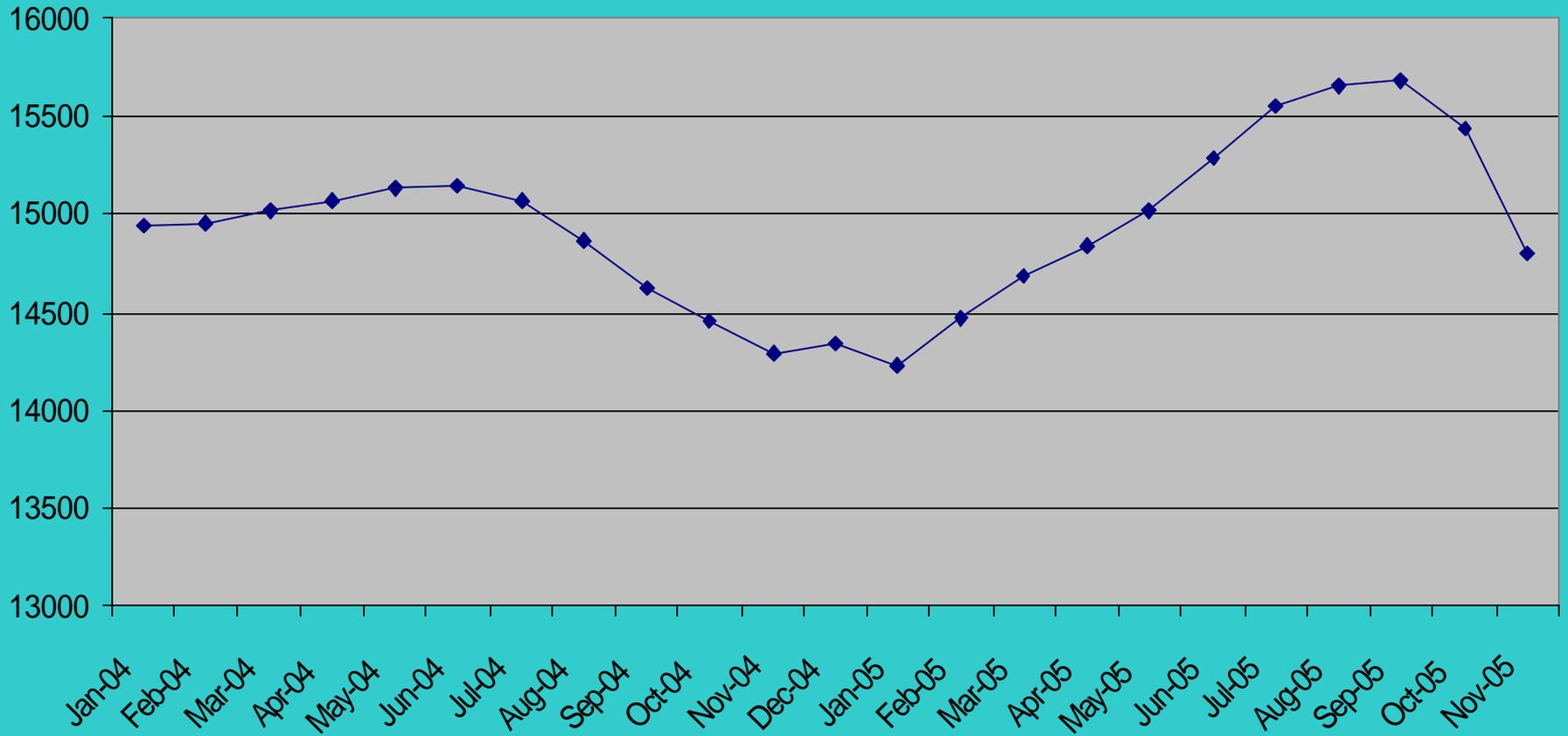
- For IT acquisitions, requires DGS to:
 - Develop policies and procedures for procurement and obtaining bids
 - Establish a centralized entity responsible for procurement methods
 - Develop uniform standards with 2 public hearings

Office of Small Business & DVBE Services Update

Maribel Dennis, Chief

Certification Status

Certified Firms



OSDS Status Reports

At September meeting, OSDS was asked to provide several reports (Base: 14805 firms as of Nov. 30)

	FY 04-05	%	Last 12 Months	%
New Firms	1811	8.2%	1906	7.8%
Renewals	2402	6.2%	1880	7.9%

Firms w/ Keywords	13,321 (89.8%)
SB Firms in SOS	1352 (est.)

IT Project Status

- **BIS2SOS** (Oral W. @ Outreach Committee)
- **BIS On-Line Certification**
- **BIS Enhancements**
- **SCPRS (3 projects)**
- **BIS Web Keywords**
- **BIS SIC Codes (discussion item)**
- **BIS On-Line Query Project - Complete**

DVBE Declarations Form, STD 834

- Required – MVC §999.2
 - When a DVBE contractor or subcontractor will provide materials, supplies, services or equipment
- Form on OSDS website

OSDS Legislative Issues

- **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 of this bill and provide updates on the Web

DVBE Regulations Update

- Completed 2nd draft of DVBE regulations and shared with DVBE Council in September (on Web site at www.pd.dgs.ca.gov/smbus)
- Will revise draft regulations based on impact of SB 115 & put on Web site
- Expect to begin regulatory submission 1st Quarter 2006

SB Size Limits

- See handout
- Recommended increase:
 - Small Business -- \$12 Million
 - Micro-business -- \$2.75 Million*
 - Number of Employees – no change
- * change from September meeting
- Will begin regulatory process
- Comments?

Outreach & Communication

- **Reciprocity:**
 - 23 SB partners
 - 17 DVBE partners
 - **Latest:** Metropolitan Water District of Southern California
- **Events**
- **eNewsletter**
- **New Brochure** in process (handout)

SARA = Best Practices

- State Agency Recognition Awards (SARA) on October 27th
 - Recognized 3 agencies for best practices that enhanced SB/DVBE participation
 - Advocate of the Year – Maureen Moss
 - Agencies with most notable improvements in SB & DVBE participation
- New SARA web page (demo)
- See handout (on Web site)

CUF Focus Group

- November 1st Focus Group
- 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
- Comments?

California Performance Review (CPR) Initiatives

- November 8, 2005, focus group
 - GG 20, Self-Certification
 - GG 21, Reciprocity
 - SO 66, Consolidated Reports
- We are evaluating the input and will develop recommendations
- Comments?

SB/DVBE Advocate Update

- Customer Forum on November 16th
- CDVA Advocate Workshops continue

California Strategic Sourcing Initiative (CSSI) Update

Terese Butler
Project Director

Recent CSSI Accomplishments

- Partnering Workshop for MRO held in:
 - Los Angeles, November 7, 2005
 - Los Angeles, November 29, 2005
 - West Sacramento, November 30, 2005
- Continue to make progress in Wave 1 Categories with Contract Awards

Note: The lists of approved SB and DVBE subcontractors on some CSSI contracts is subject to change based on DGS approval of implementation plans submitted by the prime contractors. Please see the CSSI Web site at www.dgs.ca.gov/stratsourcing for the latest CSSI contract information.

CSSI Current Contract Status

(As of December 1, 2005)

CSSI Category	Contract Award	Estimated Savings \$
Office Supplies	Dec. 2004	\$9 million
Pursuit Vehicles	Jan. 2005	\$200,000/yr.
Proprietary Pharmaceuticals	April 2005	\$2.2 million (over 3 years)
IT Hardware – PC Goods	Sept. 2005	\$40 million (over 2 years)
Office Equipment (Copiers & Services)	July 2005	\$25.2 million (over 3 years)
IT Hardware – Enterprise Data Storage Devices	Sept. 2005	\$50 million (over 3 years)
IT Hardware – Enterprise Servers	Sept. 2005	\$4.5 million^o (over 3 years)

Current Contract Status, cont'd.

(As of December 1, 2005)

CSSI Category	Contract Award	Estimated Savings \$
Wireless Equipment & Services	Sept. 2005	\$20 million (2 years)
IT Hardware – PC Servers	November 2005	\$9.2 million (2 years)
Pharmaceuticals Benefit Manager (PBM)	November 2005	\$3.9 million per year
Medical Related Goods – Prime Vendor	November 2005	\$1.4 million per year
Fleet Vehicles	Tentative Dec. 2005	
Maintenance, Repair & Operating (MRO) Supplies	Tentative Jan. 2006	

Newest Contracts

- Pharmacy Benefits Manager: **Healthtrans** (11/8/05)
 - No SB/DVBE participation
- PC Servers: **TIG and Marketware** (11/14/05)
 - 25% SB Participation; DVBE GFE
- Pharmaceutical Prime Vendor: **Amerisource** (11/30/05)
 - No SB/DVBE participation

PC Goods – Contract Awards

- 7 contracts
 - **Total Value \$117 Million** (over 2 years)
 - **Est. savings: \$40 Million** (over 2 years)
- Includes:
 - **Desktop Computers - Value: \$53 Million**
2 contracts: Gateway & Team (HP, Western Blue & Insight)
 - **Notebook Computers - Value: \$22 Million**
2 contracts: IBM and Gateway
 - **Printers - Value: \$8 Million to Team**
 - **Monitors – Value: \$9 Million to Gateway**
 - **Peripherals – Value: \$25 Million to Team**

Gateway Small Business Subcontractors

Hoffman Technologies – DVBE	Capital Datacorp - SB
Indusys Technology, Inc. - SB	Allied Network Solutions - SB
Micro Controls - SB	Jasnet Consulting, Inc. - SB
Impex Technologies, Inc. - SB	The State Store, Inc. - SB
Granite Financial Solutions – SB/DVBE	Matrix Ingenuity, Inc. – SB/DVBE
Kelco Computing Solutions – SB/DVBE	Folsom Technologies Group, Inc. - SB
Engage Integrated Systems Technology – SB/DVBE	

HP-Western Blue-Insight Subcontractors

- CA Small Biz Source - SB
- Trinity Gov't Systems - SB/DVBE
- Hammond Consulting - SB/DVBE
- Omnipro Systems - SB

PC Goods Spend Statistics

July – October 2005

Contract	Firm	Total \$	SB \$ (%)	DVBE \$ (%)
Desktops	Western Blue	\$7,469,902	\$2,309,212 (30.91%)	\$725,799 (9.72%)
Printers	Western Blue	\$2,432,861	\$854,066 (35.11%)	\$0 (0%)
Peripherals	Western Blue	\$624,943	\$0 (0%)	\$147,376 (23.58%)
Notebooks	IBM	No Report	\$0 (0%)	\$0 (0%)
Notebooks	Gateway	\$602,926	\$157,760 (26.17%)	\$157,760 (26.17%)
Desktops	Gateway	\$172,099	\$0 (0%)	\$0 (0%)
Monitors	Gateway	\$990,263	\$0 (0%)	\$0 (0%)
TOTAL		\$12,292,994	\$3,321,038 (27.02%)	\$1,030,935 (8.39³⁶%)

PC Servers Spend Statistics

Contract	Firm	Total \$	SB \$ (%)	DVBE \$ (%)
PC Servers	Marketware	\$0 to date	\$0 (0%)	\$0 (0%)
PC Servers	TIG	\$0 to date	\$0 (0%)	\$0 (0%)
TOTAL		\$0	\$0 (0%)	\$0 (0%)

**Contracts executed 11/04/05.
No report to date.**

Enterprise Servers Spend Statistics

Through October 2005

Contract	Firm	Total \$	SB \$ (%)	DVBE \$ (%)
Sun Servers	GovStor (SB)	\$1,077,239	\$1,077,239 (100%)	\$0 (0%)
Unix Servers	Western Blue/STA	\$0 to date	\$0 (0%)	\$0 (0%)
Unix Servers	TIG	\$0 to date	\$0 (0%)	\$0 (0%)
AIX Servers	IBM (no SB/DVBE)	\$0 to date	\$0 (0%)	\$0 (0%)
TOTAL		\$1,077,239	\$1,077,239 (100%)	\$0 (0%)

Contracts executed 9/29/05

IT Hardware – Enterprise Data Storage Devices

- 7 statewide contracts
- Total estimated savings: > \$50 million over 3 years
- Discounts of 15% - 96.6% off average prices previously paid
- Overall, estimated savings averaged 68% off previous average pricing
- Heaviest discounts: disk storage systems and storage area network (SAN) fabric.

Storage Devices, continued

Contract	Est. Value	Mftr.	Awarded
Disk Storage Systems (open environment & mainframe)	\$4.9 million combined	EMC	Northrop Grumman and Verizon
Storage Area Network (SAN) Fabric	\$1.2 million		Northrop Grumman
Tape Devices	\$15.6 million	HP	Team: Western Blue & System Technology Associates
Network-Attached Storage	\$490,000	Dell	Technology Integration Group

SB/DVBE Participation

Each firm agreed to subcontract at least 25% to certified California small businesses

Contract	Proposed Awardee	Proposed DVBE Subcontractors
Disk Storage Systems	Northrop Grumman	Hoffman Technologies, Inc.
Disk Storage Systems	Verizon	Met Good Faith Effort
SAN Fabric	Northrop Grumman	Hoffman Technologies, Inc.
Tape Devices	Western Blue & System Technology Associates	Hammond Consulting & Trinity Government Systems
Network-Attached Storage	Technology Integration Group	Applied Technology, Inc.

Enterprise Storage Spend Statistics

Contracts executed 9/29/05 through October 2005

Contract	Firm	Total \$	SB \$ (%)	DVBE \$ (%)
Open Systems	Northrup Grumman	\$0 to date	\$0 (0%)	\$0 (0%)
Open Systems	Verizon	\$0 to date	\$0 (0%)	\$0 (0%)
Mainframe	Northrup Grumman	\$0 to date	\$0 (0%)	\$0 (0%)
Mainframe	Verizon	\$0 to date	\$0 (0%)	\$0 (0%)
Network Attached	TIG	\$0 to date	\$0 (0%)	\$0 (0%)
Tape Device	Western Blue/STA	\$0 to date	\$0 (0%)	\$0 (0%)
SAN Fabric	Northrup Grumman	\$0 to date	\$0 (0%)	\$0 (0%)
TOTAL		\$0 to date	\$0 (0%)	\$0 (0%)

Copiers & Associated Services

- SB Commitment: Subcontract at least 25% with multiple small businesses
- DVBE Participation: Good Faith Effort

Contract	Firm	No. Copiers	Total \$	SB \$ (%)	DVBE \$ (%)
Digital Copiers	Sharp	365	\$2,103,793	\$909,330 (43.22%)	\$35,278 (1.68%)

Note: Does not include maintenance (takes effect after 90 day warranty). Future reports will include maintenance and a significant increase is expected.

Copiers – Approved SB Subcontractors

A2Z Business Systems	Select Business Systems
Capital Business Machines (SB/DVBE)	Tozier's Office Products
CPO Ltd.	Tri-County Business Systems
Linnco Services	Advanced Office Automation
Schoon Corporation	Copy Link
Scott Tanner Business Equipment	

NOTE: Sharp is continuing to add new subcontractors!

Office Supplies

- SB/DVBE Subcontractors
 - EXPOW Office Products, (SB/DVBE)
 - River City Paper Co., Inc., (SB)
 - New Century Imaging, (SB)
 - Waldeck's Office Supplies (SB)

Spend*
(January – October 2005)

Total \$	SB \$	DVBE \$
\$21,283,567	\$324,375	\$103,120

* Does not include "off-contract" spend with certified SB/DVBES as permitted by ordering instructions

Next Category: MRO

Maintenance, Repair & Operating (MRO) Supplies

- **Industrial Supplies;**
- **Janitorial Supplies;**
- **Electrical Supplies;**
- **Tools;**
- **Heating, Ventilation, Air Conditioning (HVAC);**
and,
- **Safety Supplies**

Note: This contract is for supplies – not services

MRO SB/DVBE Strategy

- 3 Bidders Conferences/Partnering Workshops:
 - 2 in Los Angeles
 - 1 in West Sacramento
- Workshops on SB/DVBE/CUF and pricing to help bidders be responsive and responsible
- Bid Due Date extended at request of SB/DVBEs

CSSI Contacts

Terese Butler, Project Director
CA Strategic Sourcing Initiative
(916) 375-4328

CSSI Website: www.pd.dgs.ca.gov

CSSI Information Line: (866) 885-8344



LUNCH

On Your Own

Please be ready to resume at 1:00



Committee Updates

Committees

- **Commodities & Goods** - Calvin Lucas, Chair
- **Construction** – Paul Guerrero, Chair
- **Contracting & Procurement Processes** – Elisabeth Brinton, Chair
- **IT Goods & Services** – Rob Porter, Chair
- **Legislation** – Betty Jo Tocolli, Chair
- **Outreach** – Randall Martinez, Chair
- **Personal Services** – Kerry Osaki, Chair



Discussion Items

Public Comment Period to
Follow Each Item



Replacing SIC Codes Exploratory Discussion

Maribel Dennis



SB Council Charter Draft Revisions

Rita Hamilton/Mariel Dennis



Public Comment Period

(Time may be limited to 3 minutes per person)

The Council Will Not Comment



Closing/Adjournment

- Recap Actions
- Next meeting – March 22, 2006
- “Check Out” if time permits