

Small Business Council Strategic Plan for 2011

#	TRACK NAME	RECOMMENDATION	CURRENT STATUS
1	Policy	Every department needs SB/DVBE first policy customized by departments.	<p style="text-align: center;">These were the top items the SBC members voted to move forward on in the August 2011 Strategic Planning meeting.</p>
2	Legislative	Change language from "goal" to "requirement," 25% of all state contract dollars are to be awarded to SB/DVBE	
3	Program	Advocate needs: top-down support; dedicated advocate; advocate reports to executive management or Director; advocate boot camp; and hire for the position – people person.	
4	Policy	Increase SB/DVBE in phases - 25% floor - increase to 50% within three years. DVBE 3% to 6%.	
5	Legislative	Recommend that the State establish a credit arm to assist SB/DVBE with surety and bonding for state contracts.	
6	Legislative	Pay SB/DVBE even when there's no budget; continuous appropriation; establish timeline for primes to pay subs and reissue prompt payment penalty (omnibus SB/DVBE bill)	
7	Policy	A coordinated / collaborative DGS SB/DVBE Council or similar type group needs to have more power, more collaboration among stakeholders (advocates, businesses, state departments, SMEs)	
8	Program	Solicitations à unbundle all commodities out of large multi-faceted contracts.	DGS now discusses all proposed Statewide Contracts to the DGS Small Business Advisory Council well prior to issuance to seek advice on where unbundling opportunities may exist and whether in fact a Statewide Contract should be created for a given commodity area. Members were given a report of all unbundled contracts in the September 4, 2013 DGS Small Business Council Meeting
9	Program	Enforce Commercially Useful Function (CUF) compliance before, during and after contract award (make sure business is doing what they claim).	The CUF Worksheet and Evaluation form has been finalized. Next steps require formal approval by Executive Management. A Broadcast Bulletin will be sent to state departments implementing the new worksheet.
10	Policy	Cabinet level procurement line item monthly. Increase frequency of reporting.	As part of DGS' proposal to meet with "Top Ten Spend" departments who did not meet their 2011-12 SB and DVBE contracting numbers, DGS will keep Agency Secretary apprised of progress. Agency Secretary, DGS Director, Chief Deputy, and PD Deputy Director has met with the top six department's Executive level staff: Air Resources Board (ARB), California Energy Commission (CEC), CalFire, Dept of Child Support Services, Department of Health Care Services, Dept of Toxic Substances Control. Next step is to have outreach meet with departments regarding training and best practices. The Outreach Unit has developed a training plan and will be using it for the visits. Outreach has met with ARB and CEC.
11	Legislative	Change SB % calculations in evaluations to incent large primes and enable state validation of the usage of subcontractors.	Further discussion needed within DGD PD. No further action
12	Legislative	Add the words "SB & DVBE" to the existing minority code.	This requires a legislative change. No further action

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13	Legislative	Make local government's apply state SB/DVBE rules when doing projects with state money.	Discussion ongoing as to whether the State currently has legal authority to require this. Needs an author for legislation
14	Policy	State departments need adequate IT support to capture, track and report microbusinesses, SB/DVBE numbers	This issue is being addressed with the implementation of FI\$Cal. No further action
15	Policy	Bring non-executive agencies to contribute to meet SB/DVBE goals (UC, Lottery, Courts, PERS, CPUC, Budget, CSU)	Legislation would be required to implement this requirement. The Courts system has voluntarily instituted SB and DVBE goals on its Courthouse Construction projects. The referenced entities are not subject to Governor's EO S-02-06. AB 173 (Weber) would extend the provisions of the Small Business/DVBE Option for goods, services, and information technology to the University of California, the California State University, and local community college districts. Other provisions of law, including advertising, bidding, and protest requirements, would be waived for purchases between \$5,000 and \$250,000 made with small businesses and DVBEs, provided that the college or university had obtained timely, responsive bids from two responsible small businesses or two DVBEs. Contracts for construction are not covered by the bill. The provisions related to the University of California are subject to the caveat that they are effective only if the UC Regents, by resolution, make them applicable.
16	Policy	Greater attention to prompt payment with a study of issues and processes to be completed within 6 months.	DGS' SB/DVBE Advocate and Business Development Program Manager continue to work with SB/DVBE firms to secure payments from State Departments. Also, with the State issuing a timely budget reported state departments' Late Payment Penalties have gone from nearly \$12 million in 2010/11 to just over \$900 thousand in 2011/12. Status: In Senate, double-referred to Education and Governmental Organization committees. No hearing set.
17	Legislative	Special MB incentive goal (tiered)	Statutory change likely needed to create this proposed incentive. Needs an author for legislation
18	Legislative	Raise dollar amount on incentive caps (currently cap is \$50K or \$100K)	DGS RESD and Caltrans have raised the cap on certain projects. More discussion needed about the possibility/ merit an across the board raising of this cap. Needs an author for legislation.
19	Program	Buyers need to make sure that sub-contractors are being used (Buyers need to notify sub they are on a winning contract and need to contact prime to establish working relationship).	DGS Policy dictates that all subcontractors are to be notified that they have been listed on a given contract prior to actual execution of the contract agreement. This has become standard practice. Policy also dictates that the use of subcontractors as specified in Bidder Declarations is to be monitored throughout the life of the contract. Chaptered bills AB 177 and SB 548 require that by contract's end that all Prime Vendors document that they have used and paid subcontractors as identified in their contract's Bidder Declaration. No further action
20	Program	Departments should have outreach inviting small businesses (Focus Forum, Bidder Conferences and CalMentor Program).	Many departments such as DGS, Caltrans, CalVet and others already do this. This is a best practice that DGS will impart when it meets with the "Top Ten Spend" departments who did not meet their 2011-12 SB and DVBE contracting numbers. No further action
21	Policy	DVBE should be included in executive order 3%.	Already a law. Additionally, the 3% is mentioned in EO. No further action
22	Policy	More accountability at departmental executive level. Advocates meet regularly with executive level staff.	This item is initially addressed in the GOAR and EO. It is also a best practice that will be recommended when DGS meets with the "Top Ten Spend" departments who did not meet their 2011-12 SB and DVBE contracting numbers.
23	Legislative	State certification supersedes local certification rules (reciprocity, common certification)	Legislative concept developed which has caught the interest of Assemblyman Swanson. DGS is now a member of California Certification Alliance, a group of Southern, CA Government entities that includes, the Metropolitan Water District of Southern, CA, LA County, LA City, the Ports of Long Beach and San Diego Metro and others who are working to establish a common certification using DGS' version as the core.
24	Legislative	Better align state SB & DVBE standards with federal standards (i.e. LLC, % of disability, size standards stratified by category)	Legislation is required to accomplish this. This is an item of discussion with the above referenced California Certification Alliance.
25	Legislative	Use RFQs instead of LPAs to contract directly	With the promotion of the use of the SB/DVBE Option as a best practice, its usage has grown dramatically in the past two years, registering 12,302 contracts that accounted for \$263,301,124 in spend for 2010/11 and 16,623 contracts that accounted for \$488,767,769. The voluntary reporting state entities reported 1,524 contracts which accounted for \$61,454,139 in spend for 2011/12.