Meeting Recap
Thursday, May 16, 2024
1:30 p.m. to 2:30 p.m.

1. **Welcome**
   Nick DeAngelis, Purchasing Authority Unit (PAU) Supervisor, Department of General Services (DGS), Procurement Division (PD)

   Nick DeAngelis welcomed all participants and provided instructions on participating in the Purchasing Authority Round Table (PART) meeting. As the meeting is held through Microsoft Teams (MT) remotely, participants are instructed to mute microphones to minimize background noise. For questions, participants are to utilize the MT meeting hand feature or enter questions in the MT chat. Opportunities to ask questions will be provided at the end of each speaker's presentation and at the end of the PART meeting.

2. **Procurement Division Updates**
   Angela Shell, Deputy Director, DGS, PD

   Small Business (SB) & Disabled Veterans Business Enterprise (DVBE) Participation
   - Office of Small Business & Disabled Veterans Business Enterprise Services (OSDS) sent state agencies goals, tips, and tools to ensure state agencies meet the 25% SB and 3% DVBE goal achievements. If your state agency did not receive the information, email Anda Draghici at anda.draghici@dgs.ca.gov or OSDSHelp@dgs.ca.gov.
   - PD will continue to have discussions with state agencies on their SB/DVBE participation goals through the end of the fiscal year. State agencies are encouraged to utilize the Fair & Reasonable acquisition method to reach their SB/DVBE participation goals.
   - Broadcast Bulletins are in progress to announce policy updates regarding AB 2019 and AB 1574, including progress surveys.
   - Released Management Memo No. 24-02 on AB 2974:
     - AB 2974 Requires 25% participation goal on contracts over $500,000 funded in whole or in part by Federal Infrastructure Investment Jobs Act (IIJA) funds.

   Generative Artificial Intelligence (GenAI)
   - GenAI survey was released to state agencies in 2023 and Broadcast Bulletin #P-03-24 provides procurement guidance on GenAI.
   - Requests for Innovative Ideas (RFI2) Proof of Concept Project (in Partnership with CDT GenAI Executive Order - CDT (ca.gov))
     - Nine contracts were awarded in February.
     - CDT tested vendor GenAI solutions as proof of concept in a sandbox environment with Caltrans, CDTFA, CDPH, and HHSA.
       - GenAI vendor contracts | GovOps (ca.gov)

<u>Maximize Efficiency in IT Procurement Processes</u>
- PD is currently evaluating IT procurement processes for improvements and efficiencies to maximize PD resources.
  - o NCB Process Improvements
    - ▪ Require upfront supporting information for IT NCB requests (instead of after submittal).
    - ▪ Identify efficiency and decision-making improvements on diverting IT services procurements to CDT or DGS based on their assessed project authority.
  - o Updates to IT NCB processes and approval requirements coming soon.
  - o IT Software as a Service (SaaS) Procurements Improvements
    - ▪ Develop enterprise-wide Software Licensing Program (SLP) agreements and provide enterprise-wide pricing for routine IT SaaS purchases from vendors such as SalesForce, ServiceNow, etc.
      - • Geared toward getting all state agencies good prices. Especially, small state agencies that may not get the best prices.

<u>IT General Provisions (GP) Revisions Update</u>
- A large number of comments were received from the Information Technology General Provisions Vendor Public Forum. Comments are currently being reviewed, categorized and discussed.

<u>PAU/One-Time Acquisitions (OTA)</u>
- A significant number of one-time transactions have been submitted to OTA.
- PAU is assisting OTA by evaluating which procurements can be delegated back to the state agency to conduct purchases on their own to meet the year end deadline.

<u>State Agency Purchasing Authority Tier Increase</u>
- Delegated purchasing authority to raise tiers to increase purchasing experience level.
- PAU will be reaching out to perspective candidates after assessing SCPRS data.

3. **OSDS Updates**
Imran Chaudhary, Statewide Advocacy Section Manager, OSDS, DGS, PD

<u>Advocacy</u>
- The Advocacy Section welcomed two SSMIs: Darvin Manuel and Casanya Ursery.
- The annual survey was sent to the PCO, PAC, and Advocates at the end of April to assess AB 2019 and AB 1574 progress.
  - o 50 departments have been completed so far.
  - o Survey extended to May 28.
- Consolidated Annual Report (CAR) report published.
  - o The state exceeded both goals at 25.45% SB and 5.38% DVBE.
  - o Over 100 departments did not meet the goal. OSDS received 100 improvement plans.

- ServiceNow portal must be used for an improvement plan.
- This is the first of the three of five years mentioned in AB 2019 – if state agencies do not meet the goal in three of five years, they are subject to remedial actions.
- Five executive letters and 22 agency visits were scheduled by the OSDS and CalVet staff for review; these 22 agencies have substantially missed their SB/DVBE participation goals and/or have established a pattern of missing goals.
- The Best Practices webinar is scheduled for July 16.
- CAR training scheduled in May for FI$Cal and Non-FI$Cal reporting state agencies.
  - (FI$Cal: May 17 at 1:00 pm)

<u>SB/DVBE Program Abuse and Compliance Reviews</u>
- Twenty-one reported SB/DVBE program abuse cases are currently under evaluation.
- One DVBE substitution request is in process for review by OSDS.
  - Reminder: The law requires state agencies to send all DVBE substitution requests to OSDS for approval.
- New SSMI: Megan Wisniewski

<u>Certifications</u>
- OSDS continues to experience a certification backlog due to:
  - Previous extensions
  - An influx of expedited DVBE renewal for CalFire fire season
  - Federal Disadvantaged Business Enterprises seeking SB participation
- The average processing time for OSDS SB/DVBE certification applications is approximately 13 weeks.
- An expedited certification process is available if the supplier's certification SB/DVBE application and the solicitation due date is within thirty days.
- Contact OSDSHelp@dgs.ca.gov if working with an SB/DVBE whose certification is expiring or for any certification processing questions.

<u>Outreach</u>
- SB Infrastructure Investment and Jobs Act (IIJA) Participation Management Memo
  - Guidance and Exemption Form sent out to state agencies and posted on OSDS website.
- Periodically OSDS program abuse statistics are published. Included are details of these cases along with a suspension list.
- Upcoming Outreach Events
  - May 23 - "Bringing State Contracting Opportunities to You", California Hispanic Chamber of Commerce
  - May 30 - "Government Contracting Opportunities for Minority-Owned Nonprofits and Small Businesses", Black Tech Link
  - June 6 - "State Procurement and Access to Capital Conference", Orange County Inland Empire & SBDC

- o June 11 - "Government Contracts", Southwest Veteran's Business Resource Center
- o June 20 - "I'm Certified Now What?", Sacramento Regional Builders Exchange
- For all outreach events and descriptions go to: https://www.dgs.ca.gov/PD/Events
- Follow OSDS on LinkedIn at: https://www.linkedin.com/company/dgs-osds

SB/DVBE Training Program
- Continuing DGS' Strategic Goal to provide in-depth state bidding and contracting courses.
- Courses available:
  - o Commercially Useful Function (CUF)
  - o Marketing
  - o EPP
  - o Procurement and Acquisition Methods
- Working with CalPCA as a cohort to SB/DVBE training with certification.

New OSDS Resources
- In Focus Legislative Impacts document: InFocus_Legislative_Impacts_04-03-2024.pdf
- OSDS Resources QR Codes: OSDS_Resources_QR_Codes.pdf

4. **Acquisitions Upcoming Contracts - 2024**
   Carol Bangs, Acquisitions Branch, DGS, PD

NASPO Cooperatives
- Audio/Video Equipment and Supplies
- Multi-Function Devices and Related Software, Services and Cloud Solutions
- Facilities Maintenance, Repair, and Operations (MRO) and Industrial Supplies
- Information Security Services (Credit Monitoring Services)
- Professional Grade Tools & Diagnostic Equipment
- Police Radar/Lidar Speed Enforcement & Accident Scene Reconstruction

Statewide Contracts
- Enterprise Technology (ET)
  - o In Evaluation
    - ▪ All current ET contracts have been extended through September 30.
    - ▪ Awards anticipated in 2024 before the expiration of the current contracts.
- Electric Fleet Vehicles
  - o In Development
    - ▪ Adding more vehicles to the contract
- Security Guards
  - o In Development
  - o Broadcast Bulletin #K-23-24 survey sent. Feel free to send in late surveys.
  - o PD is considering making a mandatory contract.
- Debit Card Services

- o [Broadcast Bulletin #K-26-24](#): Survey that will aid PD in understanding customer needs with the development of a Master Agreement (MA) for Debit Card Services.
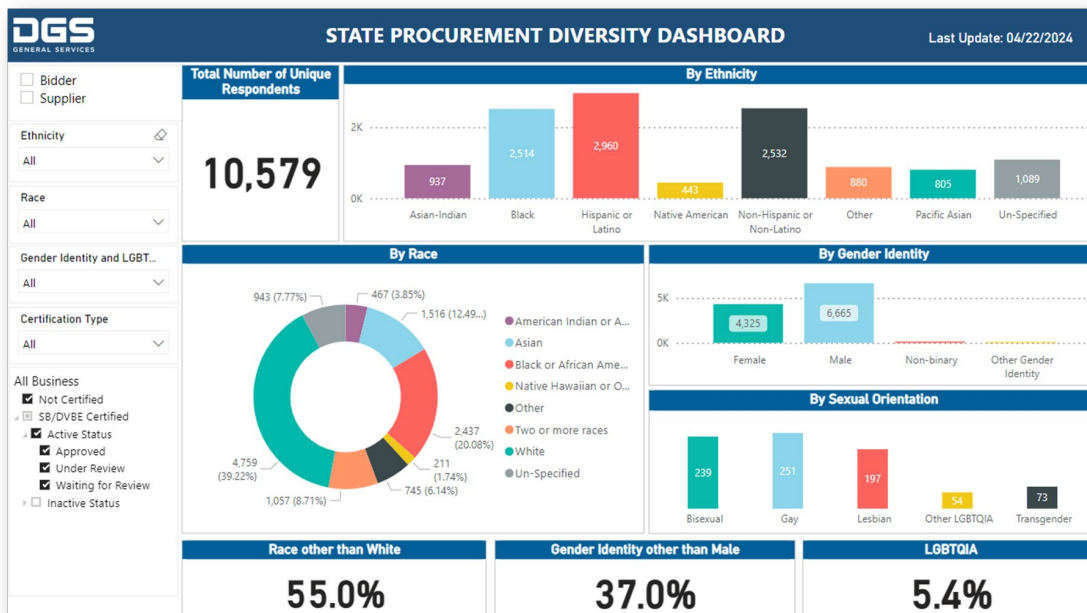
- PD's Acquisitions Branch encourages state agencies to respond to surveys sent out via Broadcast Bulletins as they help DGS PD determine the need for certain types of contracts.

5. Statewide Supplier Diversity Program
Sourajit Mustafi, Research Data Specialist, Statewide Supplier Diversity Program, DGS, PD

April 2024: State Procurement Diversity Dashboard Information
- Based on 10,579 business entries.

Recently held Supplier Diversity Forum
- Over 300 in-person attendees and 80 online participants.

Best Practices in Supplier Diversity Forum: Questions and Answers
- *DGS Question:* What steps have you taken to enhance supplier diversity within your organization?
  - o *Vendor Responses*
    - ▪ SB/DVBE firm search using UNSPSC codes.
    - ▪ Outreach – workshops, vendor meetings, one-on-one consultations.
- *DGS Question:* How can you measure the success of a supplier diversity program?
  - o *Vendor Responses*
    - ▪ Increased SB/DVBE participation
    - ▪ Achieving state contracting mandates – 25% SB, 3% DVBE

- *DGS Question:* What organizational and procedural challenges do you face in promoting and enhancing supplier diversity? How can you overcome these challenges?
  - *Vendor Responses*
    - Inertia – state agencies tend to stick with the same vendors
- *DGS Question:* How are you dealing with the State's budget problem?
  - *Vendor Responses*
    - Emphasize the need for travel as an essential part of advocate duties.
    - Proactive vs. reactive.

Supplier Diversity: Current Initiatives
- Goal: Greater diversity in the State's supplier base
- DGS Statewide Procurement and Contracting Disparity report
  - Deadline extension requested for December 31, 2025.

6. **Policy Updates**
   Sarah Cering, Policy, Training and Customer Services Branch Chief, DGS, PD

Assembly/Senate Bills (AB/SB)
- 30 current bills impact procurement processes including GenAI procurements.
- Prior year bills policy implementation still in progress for the below bills:
  - AB 2019 - SB/DVBE Participation
  - AB 1158 – Carpet & EPP
  - SB 1335 – Food Service/Waste
  - AB 661 - Recycle Content
  - AB 778 - California Grown Produce

PD Policy Strategic Goals
- State Agency Purchasing Authority Tier Increases
  - PAU to review state agency's transactional increase requests submitted to OTA, purchasing authority accreditation(s), and determine state agency's ability to conduct their transactions at a higher purchasing authority dollar threshold.
  - PAU to determine general increases for 10 state agencies with a focus on Purchasing Authority Tier 2 state agencies and their requests for Purchasing Authority Tier 3.
  - Purchasing authority Tier 4 requests will not be considered.
- Procurement Process Improvements on NCB (Non-Competitively Bid), SCR (Special Category Requests), and LTB (Limited to Brand)
  - Revisit the NCB portal for intake processing improvements and implemented pre-screening forms.
  - Unit reorganized; PD formed a separate unit exclusively for NCB processing which is fully staffed.
    - Allows for an increased level of customer service and NCB processing improvements.

- o Updating NCB policy to clarify process and reduce frequently asked questions.
- CDT Collaboration on IT Procurement Policy Revisions
  - o Cloud Computing – SaaS policy:
    - Streamline processes and procedures on SaaS contract execution.
      - State agencies still executing SaaS procurements with an STD 65 or FI$Cal generated PO instead of a required STD 213.
    - IT procurement policy publication was determined as too narrow.
      - DGS with CDT collaboration was asked to broaden and revise the IT procurement policy which includes defining IT goods/services and non-IT goods classification, as well as telecommunication.
  - o IT GPs revisions to incorporate current industry IT standards for security and to streamline procurement requirements for ease of use.
  - o SIMM 71B Certification of Compliance with IT Policies:
    - Revisions on procurement authority determination – i.e. IT project delegation.

7. **Special Projects and GenAI Updates**
   Ashley Mistler, Information Technology Specialist I, PAMS, PT&CS, DGS, PD

IT GP Revision Updates
- Reviewing and categorizing approximately two hundred IT industry stakeholder comments and responses from the public IT GP forum held on March 11, 2024.
- Next steps are to update and publish a draft based on vendor feedback.

SIMM 71B
- Procurement authority certification: SIMM 71b requires improvements in areas which determine procurement authority.
  - o DGS to collaborate with CDT on SIMM 71b revisions.

GenAI
- Broadcast Bulletin #P-03-24 on mandatory GenAI training for Purchasing Authority Contacts (PAC) deadline passed.
  - o DGS received 72 out of 100 PAC GenAI training certificates.
  - o Deficiency notices will be issued to state agencies who have not provided PAC GenAI training certificates to PAU.
- Broadcast Bulletin #P-03-24 also includes GenAI guidelines in order to adhere to Executive Order (EO) N-12-23 GenAI compliance.
  - o Continuous GenAI policy updates are required (i.e. STD 1000, expectations, exemptions, various procurement types/categories, etc.).
- GenAI Procurement Policy Next Steps:
  - o Draft updates on CDT IT project process and procedures and create GenAI general provisions.
  - o Additional draft guidance to refine the procurement process to be completed by July.

- GenAI for:
  - Exempt Contracts
  - NCBs
  - Food
  - Office supplies, etc.
- Further information will be shared at the next PART meeting scheduled in August.
- Any questions related to GenAI can be emailed to PPO@DGS.ca.gov.