



Meeting Recap

August 15, 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.

2. Procurement Division Updates

Angela Shell, Deputy Director, DGS, PD

IT General Provisions (IT GPs) Revision Update

- Information Technology General Provisions Vendor Public Forum comments are currently being finalized and will be published online by early September and a Broadcast Bulletin will announce PD website publication upon completion.

Disparity Survey

- A contract agreement has recently been awarded and the project is in the beginning stages. More information to follow.

Small Business (SB)/Disabled Veterans Business Enterprise (DVBE) Training Program

- In-depth SB/DVBE boot camp courses to assist the supplier community navigate the State's contracting and procurement process is in development, more information to follow.

Contracting Annual Report (CAR)

- Reminder that CAR is due to OSDS by October 1.
- PD is tracking CAR submittals and will be contacting state agencies that do not meet the CAR deadline.
- Late submittals delay the CAR data mining and analysis which directly impacts the CAR completion timeline.

AB 2019

- DGS is tracking state agencies that are not meeting SB 25%/DVBE 3% participation requirement per AB 2019 regulation.
- OSDS will contact state agencies who are not meeting SB 25%/DVBE 3% participation. State agencies will be notified on the next steps for remedial action.

Generative Artificial Intelligence (GenAI)

- Ongoing updates to GenAI procurement processes, policy, and provisions are coming soon.
- Initial GenAI procurement processes were published in March and went into effect in April 2024.
- Additional GenAI procurement process updates were published in early July 2024 based on feedback from industry and State partners. State agencies should review the GenAI Broadcast Bulletin.
- SCM GenAI procurement process policy will be published soon.
- The next step is to develop GenAI General Provisions (GPs) in addition to IT GPs and Software as a Service (SaaS) GPs.
 - Due January 2025 per Executive Order.
 - Collaborate with industry, CDT, and other agencies on what is needed to be incorporated specifically in GenAI GPs.

SB Advisory Council

- PD requested the DGS SB Advisory Council to evaluate Commercial Useful Function (CUF) policy requirements and CUF definitions by industry
 - State agencies have challenges in completing CUF evaluations.
 - CUF is difficult to discern and is dependent on the type of industry (i.e. construction) and is dependent on standard industry practices.
 - Council members are to work with their industries' representatives for insight into how they are currently operating in IT goods, construction, and non-IT goods/services, and research differences amongst various industries on how CUF policy is applied depending on procurement classification.
 - The information gained will assist in drafting further provisions in CUF policy and provide agencies with a better understanding of CUF policies according to industry and procurement classification.

PD/Cal eProcure Website Consulting Services Contract

- DGS awarded a one-year term Website Consulting Services contract to Convey for PD/Cal eProcure to conduct the project.
- The project goal is to create human-centered Procurement Division and Cal eProcure websites.
- Convey will explore the current design of PD/Cal eProcure websites
 - Determine how websites are perceived by the industry, evaluate PD website communications - what and how are communications posted, ease of use, and efficiency.
 - Are posted documents easy to find, read, and understand? Are documents written in plain language?
 - Identify challenges navigating the PD/Cal eProcure websites.
 - Contact and conduct interviews with some state agencies as well as external DGS partners (i.e. SB/DVBE vendor communities and large businesses) to gain their perspectives on:
 - The user friendliness of SB/DVBE search queries,
 - Ease of overall website navigation

- Understanding of the SB/DVBE certification process
- Ability to find PD or Cal eProcure related information.
- CDCR volunteered to provide their feedback.

3. OSDS Updates

Imran Chaudhary, Statewide Advocacy Section Manager, OSDS, DGS, PD

Certifications – as of July 26, 2024:

- Ten applications are in the “Waiting for Review” queue.
- 750 certification files pending compliance reviews for re-verification.
- Processing time for post-decision application re-verifications is six to eight weeks.

SB/DVBE Program Abuse and Compliance Reviews

- 16 program abuse cases under evaluation
- 49 compliance reviews under evaluation
- Two DVBE substitution requests
- Two SB/DVBE program inquiries
- Six appeal cases

Outreach

- Upcoming outreach events of interest for state agencies
 - August 15 – Contracting with California State Government, Sacramento Regional Builders Exchange (virtual)
 - August 21 - California Hispanic Chamber of Commerce 45th Annual Statewide Convention, California Hispanic Chambers of Commerce
 - August 23 – Small Business Construction Expo, Associated General Contractors of California
- For all outreach events and event 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

- DGS's strategic goal is to provide in-depth state bidding and contracting courses. Working on phase two in creating an eight-week, eight-course procurement training cohort. Launches December 2024.
- Current courses:
 - Commercially Useful Function (CUF),
 - Solving the Marketing Mystery
 - Environmentally Preferable Purchasing for SB/DVBEs.
- OSDS Goal to increase SB/DVBE knowledge for LPAs and SB/DVBE Off-Ramp.

Advocacy Section Updates

- Executive letter and agency visit updates and findings
 - Met with 23 state agencies and discussed permit plans, and data validation queries (DVQ), and shared the SB sourcing index tool to locate certified SBs based on UNSPC codes.

- OSDS recommend state agencies:
 - Adopt an SB/DVBE vendor first policy
 - Increase their understanding of the use of LPAs
 - Utilize SB/DVBE Off-Ramp options
- OSDS also discussed use of One-Time Acquisitions (OTAs), and the Advocate's role/responsibilities.
- AB 2019 and AB 1574 implementation survey findings which were completed in late March. A survey was sent to state agencies in March to understand how these bills are being implemented.
 - Survey Results:
 - Advocates not solely dedicated to their roles correlate to the state agency not meeting their goals.
 - State agencies that did meet their goals had a dedicated Advocate.
 - There is a correlation between SB/DVBE training/outreach and the state agency meeting SB/DVBE goals.
 - Those state agencies providing two or more training sessions in a year were more likely to meet their goals.
 - Of the state agencies participating in the survey, 52% of those who did not meet the SB/DVBE goal did not attend any outreach events at all in FY 23/24.
 - Outreach is a struggle with state agencies. Only 27 state agencies attended outreach events.

Best Practices Webinar Feedback:

- Webinar held on July 16, 2024
 - 314 people attended the webinar
 - 73 state agencies were required to attend and of those state agencies only 24 attended.
- Outreach/ OSDS reporting team has a full staff now.
- Reminder for state agencies to make sure the data is correct on the Contracting Activity Report (CAR) report.
- DVBE report – make sure to use the STD 810. Add explanation, if needed, on the STD 810.

OSDS Reporting Reminders:

- CAR – Due on October 1
 - Be sure all transactions are in the system by October 1 and data is accurate for the data to pull on October 2. For non-Fiscal state agencies, be sure your report data is in by October 1.
- SB/DVBE Improvement Plan – Due on October 1
 - Out of the state agencies that did not meet their SB or DVBE goals, over 50% did not attend any outreach events.
 - For FI\$CAL reporting state agencies, a reminder to state agencies to ensure that information submitted in the system is accurate
 - If goals were not met, then improvement plans should be submitted on October 1st.

- A reminder for state agencies to reach out via the email address if there were any questions on the submittal process.
- Infrastructure Investment Jobs Act (IIJA) – Due on October 1st through Improvement Plan.
 - Please report them in the improvement plan. January 1, 2023, memo mandates state agencies establish a 25% SB procurement participation goal on all new contracts over \$500,000 funded by IIJA.
 - OSDS also has additional guidance on exemptions, reporting requirements, and annual improvement plans.
- DVBE Subcontracting Report - Due on November 1
 - Withhold is only necessary if the prime contractor fails to submit the form STD 817 and if the form is not accurate, including if the payment to the DVBE subcontractor was not paid in the first contract so the DVBE commitment was not met. When making the payment, withhold is applied to the contract, the state agency shall allow the prime contractor to cure the deficiency after a written notice. After fifteen days, but not more than 30 days from the date of the cure notice, the state agency shall permanently deduct \$10,000 from the final payment or the full payment, if less than \$10,000. The form STD 810D submitted to OSDS is due by the first and is used by the Compliance Team to identify prime contractors that are continued offenders of not paying or fully utilizing DVBE subcontractors consistently.
 - There were some common errors from FY 22/23 reporting: Form not submitted or complete only report contracts using DVBE subcontractors and not a DVBE prime contractor; only report contracts that ended during the FY reporting year and be sure to add an explanation in the comment column of the 810D to show any differences between the DVBE commitment and what was paid to the DVBE.
- Late Payment Penalties Paid Report (LPPPR) – Due on September 30. Review requirements.
- Contact us at OSDSReports@dgs.ca.gov or Advocate@dgs.ca.gov.

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

Award Type	Solicitation Title/Description	Contact Email	SB Preference	DVBE Requirement/ Incentive	Advertisement link to CSCR
Statewide	NFPA Compliant Extractors and Dryers	frank.martin@dgs.ca.gov	In Development	In Development	Upcoming
Statewide	Electric Fleet Vehicles	frank.martin@dgs.ca.gov	In Development	N/A	Upcoming
Statewide	Zero Emission Transit Buses	Erica.SeghesioGroves@dgs.ca.gov	N/A	N/A	https://caleprocure.ca.gov/event/77601/0000029982
Statewide	Salmon, Steelhead, and Trout Feeds	Tara.Gill@dgs.ca.gov	In Development	In Development	Upcoming

Recently Awarded LPAs

- Master Service Agreement:
 - Uniform/Mat Rental and Cleaning Services

- Cooperative Agreement:
 - Multi-Function Devices and Related Software,
 - Services & Cloud Solutions Contact
 - Professional Grade Tools & Diagnostic Equipment
- Statewide Contracts:
 - Forklifts and Pallet Jacks

Anticipated LPA Award

- Statewide Contracts: Enterprise Technology
 - Enterprise Technology contract is still in evaluation and is still to be awarded with the Intent to Award release by August 16 and on track to have new statewide contracts in place before by the end of September 2024.

Upcoming Solicitations

- Electric Vehicle (EV) Fleet:
 - Solicitation to be posted by September 30 and awarded October/November.
- Master Service Agreements (MSA):
 - Security Guard Services
 - Debit Card Services (Citizen's use in state refunds such as tax refunds)
 - PD is seeking state agency subject matter experts (SMEs) to assist in building the MSA requirements that meet the state agency's specific needs and requirements. PD did not receive much interest in the MSA survey sent to state agencies.
 - If interested in providing feedback on the MSA contracts, contact Michael.Wong@dgs.ca.gov or Carol.Bangs@dgs.ca.gov.

PD Staff Vacancy Updates

- One Times Acquisition (OTA) Supervisor vacancy:
 - John Medeiros has left PD and accepted a position at CalVet.
- The Section Manager position overseeing OTA and the Multiple Awards Program has been filled by Mark Anderson.

5. Statewide Supplier Diversity Program

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

State Procurement & Contracting Disparity Study

- Study to analyze the State's contracting practices to determine if diverse and certified SB/DVBES have equal access to state contracting opportunities.
- DGS requested a trailer bill language to extend the deadline for completion of the study and has been approved/extended to December 31, 2025.
- Requirement of AB 2019, this study supports the DGS goal to provide equal access to state contracting opportunities for minority, women, LGBTQ, and certified small and disabled veteran-owned businesses. The study will examine data to empower state leaders and policy writers with the knowledge to create targeted policies and strategies that promote equity and ultimately lead to a more equitable and inclusive supplier base.

- A contract has been awarded to Mason Tillman Associates, LTD, a certified small business.
- A project kick-off meeting was held on July 12, 2024.
- Final report/database anticipated before December 31, 2025.

6. Special Projects and GenAI Updates

Ashley Mistler, Information Technology Specialist I, PAMS, PT&CS, DGS, PD

Information Technology General Provisions (IT GPs)

- Finalize IT GPs with a target release date of early December 2024.
 - Broadcast Bulletin will announce the release as well as responses from the vendor community on feedback received from the IT GP vendor forum.

IT Project Approval

- By January 2025, the Government Operations Agency, DGS, and CDT shall update the State's project approval procurement contract terms/process, incorporating analysis of state agency feedback obtained.
- Part of PD Strategic Plan deliverable: Update the State's IT model terms and conditions to simplify use and maximize efficiency in IT procurement processes.

GenAI General Provisions (GenAI GPs)

- Once the IT GPs are published, procurement SMEs along with CDT assistance will begin crafting language to incorporate GenAI GPs into the IT GPs with a targeted release date of January 2025.
- PD is delving into improvement processes of GenAI GPs and is continuously monitoring feedback received.
- PD will also publish updates in the SCM to support all the changes encompassing GenAI, the IT GPs, and possible updates to the IT project approval processes.
- Questions and concerns can be emailed to PPO@DGS.ca.gov. PD may collect comments and address them as appropriate.

7. Policy Updates

Sarah Cering, Policy, Training and Customer Services Branch Chief, DGS, PD

PCO/PAC Informal Email Communication

- PD has established an informal email communication tracking system in addition to the DGS Broadcast Bulletin system for communications that do not warrant a formal public notification to state agencies with or without a subscription to the DGS Broadcast Bulletin.
- PCOs/PACs may receive additional informal email communications for feedback on policy updates in the upcoming months.

2022 Assembly Bills

- PD is continuing to review passed Assembly Bills enacted in 2022.
- Most procurement policy projects announced in Broadcast Bulletin #P01-23 are in the final stages and will be published this year.

- 29 procurement-related bills were reviewed for this session.

Software as a Service (SaaS) Policy

- A monthly PD and CDT collaboration at the executive level on Software as a Service (SaaS) as a high-priority policy project.
- Policy clarification on SaaS purchases
 - Considered service contracts with a start and end date and not a traditional in-person service contract.
 - The GC 19130 justification is not required.
 - STD 65 versus STD 213 usage
- The policy draft will be sent to the PART policy sub-group for review and feedback.

Statewide IT Policy

- PD and CDT collaboration on statewide IT policy.
- Develop a policy on consultations with CDT and/or PD regarding IT policy that has an impact on IT procurement statewide.
- The goal is to ensure IT procurement success for state agency CIOs, PCOs, and PACs.
- PD will release additional IT-related policy revisions to PART members for feedback which has traditionally only been shared with state agency CIOs.

Contract Classification Policy

- Initiated collaboration with CDT in 2022, the contract classification policy will be revisited once the SaaS policy has been reviewed.
- Policy updates will provide direction on correctly classifying purchases such as telecommunications, IT goods/services, or non-IT Goods.

IT Project Procurement Authority

- Once procurement is classified as an IT, the state agency's IT purchasing authority is then determined either by DGS or CDT.
- DGS and CDT are partnering together to develop policy on what procurement authority the state agency has for IT purchases, either IT Project Authority as determined by CDT or under the state agency's DGS-granted IT Purchasing Authority - Tiers 1, 2, 3, or 4 levels.

NCB Process

- Revisit NCB process
 - NCB portal: Assess efficiencies and track customer feedback on NCB portal process improvements.
 - NCB pilot questionnaire form: Assesses procurement authority such as CDT IT project authority
 - NCB FAQs: Improve NCB processing approval timeframes.
- 2024 Increased processing times
 - PD's fully staffed NCB unit has processed 88 NCBs in a timely fashion since July 30.

Purchasing Authority Unit (PAU)

- PD 2024 goal was to increase purchasing authority tiers for some state agencies.
 - Four state agencies have been identified for purchasing authority tier increase.
 - PAU pilot project: Develop procedures on state agency purchasing authority tier increases.
 - DGS Purchasing Authority Maintenance Accreditation process allows PAU to review state agency's procurement process improvements/implementation and assists in determining purchasing authority tier increases.
- Fully staffed PAU assisted OTA with the year-end workload.
 - As of July 30, PAU has processed 40 one-time transaction increase requests in purchasing authority.

TACPA

- Update TACPA forms to be more user-friendly for vendors and state employees.
- Clarifications to TACPA policy in SCM with a target completion date of August 2025.
- Processed 80 applications since July 30th.

CalPCA

- Extensive redesign
 - Assess training needs and courses currently available.
 - Liven up training courses with new graphics and videos.
 - Develop a host of microlearning "What is" videos such as, What is EPP?
 - Implement labs and more detailed procurement assistance for intermediate and advanced procurements.
- Performed an audit on CalPCA Learning Management System (LMS) and results determined there are better ways to use the State's resources.
 - Move and consolidate system resources - instead of LMS for procurement training, utilize one single learner system through CalHR and CalLearns.
 - Most employees already have CalLearns accounts and can take procurement classes right away.
- The redesign will open up new CalPCA job positions and will be available soon.
 - Section Manager SSM II, SSM III, and Graphic Designer job positions.

IT GPs and Cloud Computing GPs

- IT GPs and Cloud Computing GPs updates, ongoing since 2020, are now being finalized and will soon be released with a target date of August 2024.
- Efforts to consolidate the Cloud GPs with the IT GPs are no longer being pursued. IT GPs and Cloud Computing GPs will remain separate documents.
- Reminder to state agencies to attach or reference the correct GP version.
 - Non-compliance findings were found on incorrectly attaching and/or referencing the GPs.

Purchasing Authority Policies and Procedures

- The PAU team is now fully staffed and will be updating Purchasing Authority policies and procedures in SCM volume 2, Chapter 1. The policy draft will be sent to the PART sub-group for feedback.