

Vendor Forum

June 6, 2024 • 1:00 pm to 2:30 pm



California
DEPARTMENT OF TECHNOLOGY



CALIFORNIA DEPARTMENT OF
GENERAL SERVICES

AGENDA

- Opening Remarks – *State CIO Liana Bailey-Crimmins*
- DGS Update – *Director Ana Lasso*
- DGS Procurement – *Angela Shell*
- CDT Statewide Technology Procurement (STP)
– *Tiffany Angulo*
- CALNET – *Veronica Dodd*
- Cloud Smart – *Chaeny Emanavin*
- Generative AI – *Ivy Teng Lei*
- Critical Services Update – *Tracy Lee*
- Q&A



- DGS is the state's leading procurement agency
- Provides certification for Small Businesses and Disabled Veteran Business Enterprises that makes them eligible for state contracts
- California spent **\$16.32 billion** in contract awards during fiscal year 2022-23
 - Of that, \$2.7 billion was awarded to IT contracts (goods or services)

New Resources and Regulations

Ana M. Lasso, Director,
Department of General Services

- **In Focus – Summary of Recent Legislation Impacting SB/DVBE and State Strategies**
- **Helps businesses navigate new laws that affect Small Businesses contracting with the state**

Key Policy Outputs	Assembly Bill 2019	Assembly Bill 1574	Assembly Bill 2974
Minimum 25% SB annual participation goal for overall spend by department	✓ YES	✗ NO	✗ NO
Contract-specific 25% SB participation requirement	✗ NO	✗ NO	✓ YES

In Focus - Summary of Recent Legislation Impacting SB/DVBE and State Strategies

Assembly Bill (AB) 1574
Leveraging State Procurement for an Inclusive Economic Recovery: Effective Date: January 1, 2022

Small Business Legislation Requirements

Requires all state departments to make continuous efforts to expand the Small Business (SB)/Microbusiness (Micro)/ Disabled Veteran Business Enterprise (DVBE) pool of bidders and to regularly seek and include in their solicitations SB/Micro that have not been used either regularly by the department issuing the solicitation, or at all by the state.

Requires bidders to submit with their bids a certification signed under penalty of perjury that each SB/DVBE subcontractor performs Commercially Useful Function (CUF).

Clarifies the roles of departments' SB Advocates and SB Liaisons, and coordination between the Governor's Office of Business and Economic Development (GoBiz), the Department of Veteran Affairs (CalVet) and the Department of General Services (DGS).

Departmental Strategies/Resources

Include in solicitations SB/DVBEs that are new to doing business with the state or the department.

Reduce solicitation requirements for SB/DVBE on experience, reference, level of inventory.

Advertise SB and DVBE Options in the California State Contracts Register (CSCR).

Use best value to select contractors on Leveraged Procurement Agreements and SB/DVBE Option.

Use the SB/DVBE Off-Ramp for mandatory Statewide Contracts.

Inform SB/DVBEs of the DGS SB/DVBE Procurement Training at dgs.ca.gov/PD-SB-DVBE-Training.

Identify SB/DVBE new to doing business with the state using the California SB/DVBE Atlas Mapping Tool (CalSAT) data on state dollars to SB/DVBE prime contractors and subcontractors.

Use DGS State Procurement Dashboards to identify new state contracting opportunities for SB/DVBE.

Assembly Bill (AB) 2019
State Contracts: Small Business Enterprises: Effective Date: January 1, 2023

Small Business Legislation Requirements

Requires all state departments to establish an overall minimum 25% SB participation goal in their annual state contracting spend.

Requires DGS Office of Small Business and DVBE Services (OSDS) to provide and display in Cal eProcure an option for SB/DVBE/ applicants to voluntarily self-identify as being at least 51% owned, managed, or controlled by individuals in specified women, minority, and LGBTQ categories.

Requires OSDS to recommend to the state simplifying contract specs and terms to increase participation of SB/Micro, DVBE, minority/ women/LGBTQ-owned firms.

Requires OSDS to market the state SB certification benefits to federally certified Disadvantaged Business Enterprises (DBE).

Requires OSDS to set remedial actions including removal of purchasing authority for departments failing to meet the SB goal in 3 of 5 years beginning in 2023.

Requires DGS to conduct a statewide procurement disparity study by January 1, 2025.

Requires all state departments SB Liaisons to adopt and submit to GoBiz Office of Small Business Advocate (OSBA) an Economic Equity First plan by January 2024.

Departmental Strategies/Resources

Engage in focused outreach to support diverse contracting participation of underutilized businesses.

Share solicitations with diverse business organizations i.e., ethnic chambers of commerce. For assistance, email BusinessOutreach@dgs.ca.gov.

Leverage CalSAT information on SB/DVBEs located in disadvantaged communities.

Use SB/DVBE diversity supplier information in Cal eProcure SB/DVBE Search results downloads.

Seek DGS SB/DVBE Advocacy Support one-on-one assistance to outreach to and identify SBs and DVBEs at advocate@dgs.ca.gov.

Refer small diverse businesses, including DBE, that are not DGS-certified as SB/DVBE to OSDS at OSDHelp@dgs.ca.gov.

Reach out for consultation to DGS Statewide Supplier Diversity Program at SupplierDiversity@dgs.ca.gov.

May establish contract-specific SB requirements as allowed by California Code of Regulations section 18965.

Assembly Bill (AB) 2974
SB and Federal Infrastructure Investment and Jobs Act (IIA): Effective Date: January 1, 2023

Small Business Legislation Requirements

Requires state departments to set a 25% SB participation requirement on each fully/partially IIA-funded contract over \$500,000, report this SB participation to DGS annually, and submit an action plan if 25% SB goal is not met. Allows for exemptions for specified reasons and requires exemptions be sent to DGS.

Requires SB advocates to provide SB with information on training and technical assistance available to assist with bidding.

Departmental Strategies/Resources

Report IIA-funded SB participation through Financial Information System for California (FISCa) or DGS PD Form 810A, on October 1 of each year.

Submit IIA SB exemptions to DGS.

Contact DGS SB/DVBE Advocacy Support for assistance at advocate@dgs.ca.gov.

Frequently Asked Questions

Does the 25% SB participation goal in AB 2019 require state departments to set a 25% goal on every contract?
No, the SB participation 25% is an annual, overall goal to achieve throughout a department's total state procurement spend.

Can departments set contract-specific SB participation goals?
Yes, California Code of Regulation section 18965, allows state departments to set contract-specific goals based on specified factors.

Will the diversity information identified in AB 2019 be used to provide a bid preference to diverse groups in state contracting opportunities?
The California Constitution does not allow diversity information to be used to grant a preference in state contracting programs.

How will the diversity information that I provided benefit my business?
This information will help departments identify industries and sectors that may need additional certification, outreach, and assistance efforts in navigating the state's contracting process. Some certification reciprocity partners such as University of California, may also use this information to aid in their procurement strategies.

What is the difference between a SBE and a DBE?
In short, a SB is a state-certified business by DGS, their participation counts toward the state SB participation mandated in AB 2019, AB 1574 and AB 2974. A DBE is a federally-certified business and their participation counts toward various goals of federally assisted transportation contracts funded by the Federal Highway Administration, Federal Transit Administration and others. Check with each department for specific requirements for DBEs.

Are DBEs included in the 25% requirement?
No, DBEs are federally certified and not included in the SB participation requirement. DBEs who wish to participate in state contracting should seek state SB certification.

What happens if a state department doesn't meet the 25% annual SB requirement?
State departments that do not meet annual SB goals are required to submit to DGS Improvement Plans with detailed explanations and action items to meet the requirements in the following year. Departments may also receive visits from DGS to discuss next steps and are asked to attend training. Per AB 2019, a state department that does not meet the SB goal for 3 out of 5 years will be subject to remedial actions by DGS including, but not limited to, removing purchasing authority.

What are DGS plans to support department SB advocates in their role assisting SBs?
Our DGS-OSDS new advocacy support section is planning on reaching out and connecting with each SB advocate to help with responsiveness to and assistance of SB/DVBE.

If departments are meeting their SB/DVBE goals and decide no further efforts are necessary, how can we hold departments accountable to continue to support the SB/DVBE community?
The SB and DVBE goals are minimums, not ceilings, and departments remain responsible for ensuring a diverse pool of SBs and DVBEs have access to state contracting opportunities in compliance with AB 1574.

How do I use these bills to help me sell to the state?
Update your certification profile with your voluntary supplier diversity information. Inform the state buyers that you can help them meet their departments' AB 2019 and AB 1574 goals either as a certified SB/DVBE, a diverse owned SB/DVBE, or, if applicable, as a SB/DVBE that has not done business regularly with the department or in general with the state.

What's the difference between the SB Advocate and SB Liaison and where can I find them?
See the next page for the difference between the two roles, and the SB Advocate and SB liaison directories.



New Resources and Regulations

Ana M. Lasso, Director,
Department of General Services

STATE ADMINISTRATIVE MANUAL

MANAGEMENT MEMO	NUMBER: 24-02	
SUBJECT: Small Business Participation, wholly or partly, funded by the Federal Infrastructure Investment and Jobs Act (IIJA)	EFFECTIVE DATE: 04/01/2024	
ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES	EXPIRES: Until Rescinded	SUPERSEDES: N/A

Purpose

The purpose of this management memo is to inform state agencies of the new Small Business (SB) participation requirements for specified contracts, funded in whole or in part, by the federal Infrastructure Investment and Jobs Act (IIJA) pursuant to Assembly Bill (AB) 2974 (Ch. 600, Statutes of 2022) and Government Code section [14838.1 \(c\)](#).

On September 27, 2022, AB 2974 was signed into law with an effective date of January 1, 2023, to encourage SB participation in new contracts for the construction, alteration, demolition, repair, or improvement of the state's infrastructure by adding several requirements for state agencies awarding new contracts over five hundred thousand dollars (\$500,000) that are financed, in whole or in part, with proceeds from the federal IIJA.

Legal Authority

[Government Code section 14838.1](#)

[Government Code section 12800](#)

[Public Contract Code section 10335.7](#)

[California Code of Regulations, title 2, section 1896.4 \(p\), \(u\) and \(v\)](#)

Definitions

For the purposes of this policy, the following definitions shall apply:

Microbusiness (Micro), SB and Small Business for Purpose of Public Works (SB-PW): For definitions see California Code of Regulations, title 2, section [1896.4 \(p\), \(u\) and \(v\)](#).

State Agency(ies): Includes each agency provided for in section [12800](#) of the Government Code and each state entity in section [10335.7](#) of the Public Contract Code in which the head of the agency is appointed by the Governor.



Management Memo 24-02:
Small Business Participation, wholly or partly funded by the Federal Infrastructure Investment and Jobs Act (IIJA)

Offers guidance on Assembly Bill 2974

Requires state departments to set contract-specific 25% Small Business participation requirements on contracts \$500K+ financed with IIJA

New Classes Available!

- Marketing to the State
- State SB/DVBE Commercially Useful Function
- The ABCs of Environmentally Preferable Purchasing

More Classes Coming Soon:

- SB/DVBE Option
- Bidding and Contracting



Statewide Supplier Diversity Program

Ana M. Lasso, Director,
Department of General Services



- Integrates diversity and the use of small and diverse businesses in California's procurement and contracting
- As of mid-May, 10,806 vendors have entered their diversity information voluntarily
- More than 6,300 are certified Small Business and Disabled Veteran Business Enterprises

Supporting SBs and DVBEs

Ana M. Lasso, Director, Department of General Services

Nearly 19,000 certified Small Businesses (SBs) and Disabled Veteran Business Enterprises (DVBEs)



Thanks to Assembly Bill 2019, more than 630 federally certified Disadvantaged Business Enterprises were approved for new Small Business certifications since 2023



In fiscal year 2022-23, the state exceeded its goals!

\$4.15 billion to SBs
(25.45% of total spend)

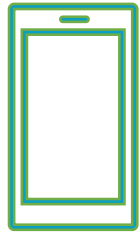
\$878 million to DVBEs
(5.38% of total spend)



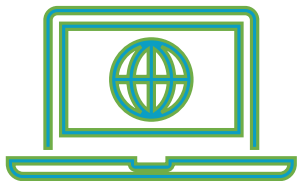


Use this opportunity to:

- Provide feedback
- Ask questions
- Consult with experts
- Gain clarification
- Exchange ideas & information
- Network with buyers and other businesses



www.dgs.ca.gov



www.caleprocure.ca.gov



Enterprise Technology Hardware Statewide Contract

- Bids were due 12/11/23
- Cost opening was held on 5/2, however we are still in evaluation
- All current ET contracts have been extended through 9/30/2024
- Awards anticipated in 2024 prior to the expiration

Information Technology Terms and Conditions Update

- In person forum held March 11th with comments due March 18th
- The project team is reviewing, categorizing, and preparing responses to over 200 vendor comments
- The project team will update the draft ITGPs before releasing the final versions this Summer

Upcoming Contracts - 2024

- NASPO Cooperatives
 - Audio Video Equipment and Supplies
 - Multi-Function Devices and Related Software, Services and Cloud Solutions
 - Facilities MRO and Industrial Supplies
 - Information Security Services (Credit Monitoring Services)
 - Professional Grade Tools & Diagnostic Equipment

Small Business Resources

- [How to do Business with California State Government](#)
- Agency engagement
 - Reach out to SB Advocates
 - View look ahead reports on DGS Website – Upcoming Solicitations
 - View CalProcure dashboards and spend reports – reach out directly to Buyers and departments
 - Develop marketing materials that include past performance on government contracts

Key Project and Procurement Activity:

- The Electronic Vendor Application of Qualifications (eVAQ)
 - Discovery on Vendor Reference Database
 - Phase 1 Completed Initial Discovery
 - Draft of requirements
 - Phase 2 Q4 Pilot Firms
- Announcement and Advertisement landing page
 - Phase 1 target Q4
 - Upcoming solicitations
 - Introduction Material

PROCUREMENT WATCHLIST

Employment Development Department	<ul style="list-style-type: none">• Integrated Claims Management Service (ICMS)• California Job Opening Browse System (CalJOBS)
Department of Industrial Relations	<ul style="list-style-type: none">• Division of Occupational Safety and Health (Cal/OSHA)• Data Management System (DMS)
Secretary of State	<ul style="list-style-type: none">• Notary Automation Project (NAP) 2.0
Corrections and Rehabilitation	<ul style="list-style-type: none">• Incarcerated people communications (IC+)• Board's Information Technology System M&O
Department of Cannabis Control	<ul style="list-style-type: none">• Cannabis Law Enforcement Activity Tracking System (CLEATS) 1115-003
Consumer Privacy and Protection Act	<ul style="list-style-type: none">• SB 362 Data Broker Registry & Accessible Deletion Mechanism (commonly referred to as CA Delete Act)
California Department of Technology	<ul style="list-style-type: none">• CALNET 5• Dataloggers• CalTABS Modernization
California Public Utilities Commission	<ul style="list-style-type: none">• Broadband Cost Model Update• Deaf and Disabled Telecommunications Program (DDTP) Equipment Processing Center (EPC)
Department of State Hospitals	<ul style="list-style-type: none">• MRFP EHR Continuum of Care
Department of Managed Health Care	<ul style="list-style-type: none">• Nimbus CAP Modernization (SB-858)
Department of Health Care Services	<ul style="list-style-type: none">• CA-MMIS Fiscal Intermediary Payment System- FI-PS M&O• Data Warehouse M&O

CALNET Program Update – 2024

- Coming soon CALNET 5 (FY 2024-2026)
 - Wireless Mobility Services
 - Data Transport
 - Contact Center & Voice Services

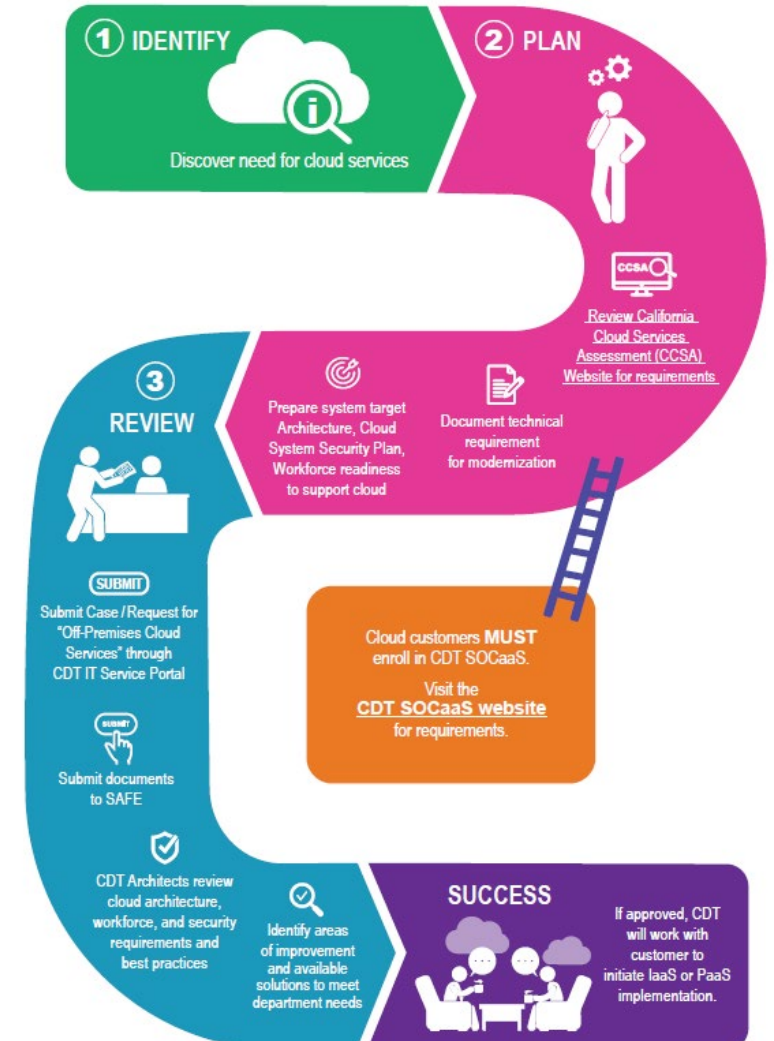
Why: Ensure customers are Safe, Secure, and Ready. Evidence-backed designs prior to granting approval

What: New Architecture Review → California Cloud Services Assessment (CCSA) went live on October 31.

How: CCSA is part of the Off Premise Cloud Services request for:

- New Cloud accounts or services
- Changes to existing cloud accounts
- Moving new systems to the Cloud

CLOUD SMART – 3 Steps to Cloud Success








Policy Updates: New guidance for how to migrate

Needs Driven: At its core innovation is really problem definition. These new behaviors dive into the business needs to match the needs with the best platform

The Fifth Pillar: Architecture is a core part of this new success to understand the important details of where data lives. Partnering with CDT enables departments to focus on their missions.



IT Security 	Procurement 	Workforce 	Policy and Compliance 	Architecture 
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Early Returns

- Six migrations underway or completed thus far
- More in the pipeline

Vendor Partnerships

- Streamline customer Cloud journeys
- Consistent yet customized Cloud solutions
- Playbooks to guide departments based maturity levels

Key GenAI EO Deliverables

- Benefits and Risks Report
- AI Inventory
- Policy
- Training
- State GenAI Sandbox
- Specialized AI impact analysis
- Project Oversight

Documented on our: CA AI Community Site – genai.cdt.ca.gov

Announcing GenAI Procurement Guidelines Vendor Forum

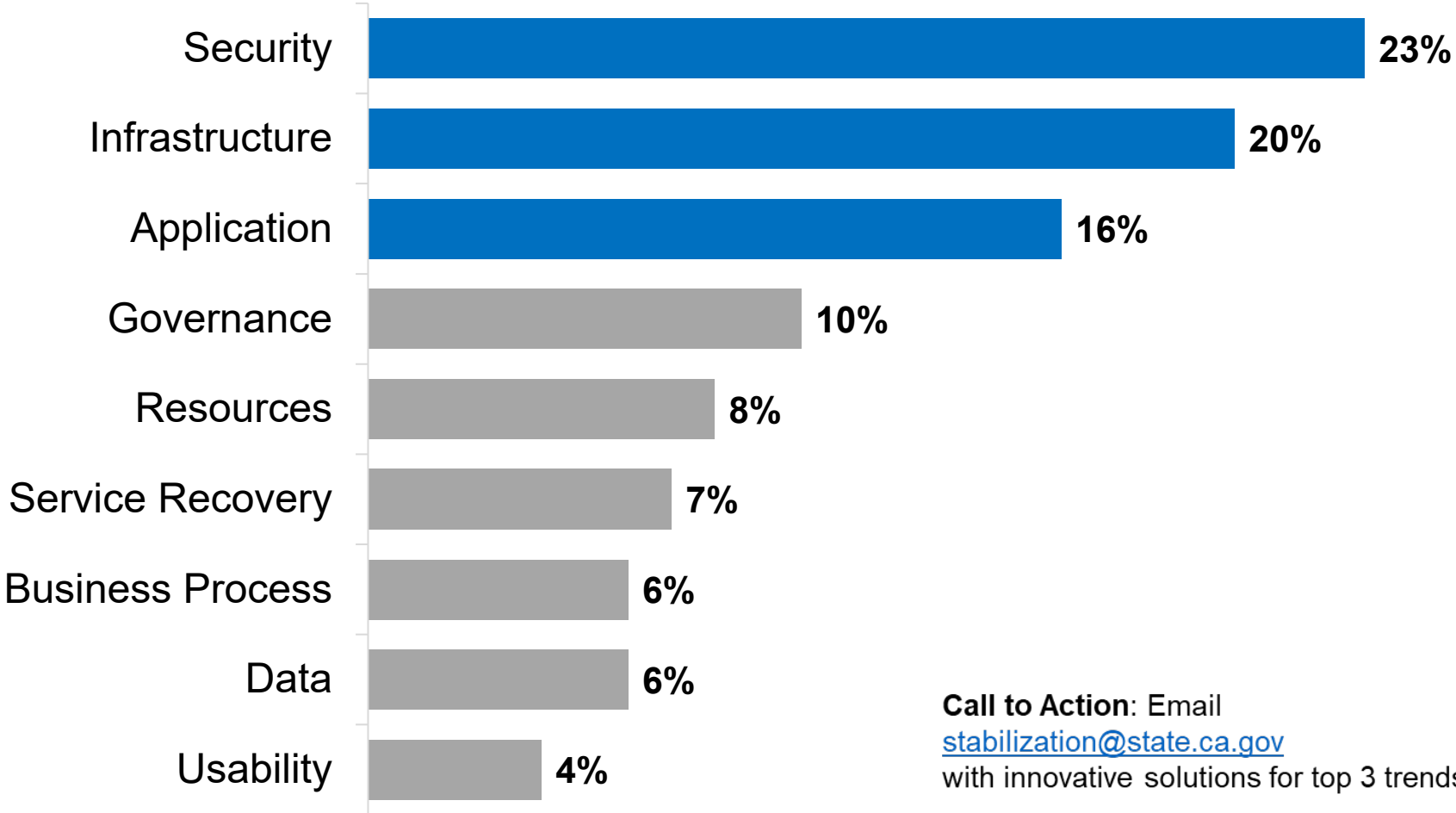
- Tuesday, June 25th from 10-11 AM
- Focus on Vendor Disclosure Form and Risk Consultation Form (SIMM 5305-F)
- Walkthrough of guidelines and opportunity to submit specific questions
- CDT to send invitations directly

Critical Services Overview

Tracy Lee, Acting Deputy Director, CA Critical Services
California Department of Technology

Program	Goal	More Information
Technology Modernization	The TMF was established to make investments in IT solutions that will yield quick and meaningful results to modernize government and improve digital services.	https://cdt.ca.gov/technology-innovation/tmf/ tmf@state.ca.gov
Technology Stabilization	An assessment is done on an existing critical system, or service to improve its reliability and availability to efficiently support its current business needs.	https://cdt.ca.gov/technology-innovation/stabilization/ stabilization@state.ca.gov

Top Service Improvement Trends & Potential Vendor Partnerships



Call to Action: Email stabilization@state.ca.gov with innovative solutions for top 3 trends.

Projects approved to use the Technology modernization funding, will require vendor partnership to complete.

Status	Count	Procurement
Completed Projects	4	\$2.3M expended
Efforts in-flight	15	\$20.8M encumbered
Developing Solicitations	2	\$5.1M approved funding



THANK YOU!

Subscribe for notifications about upcoming Vendor Forums:
<https://cdt.ca.gov/subscribe-to-notifications/>

Feedback Survey:
<https://tinyurl.com/hymv9bpa>

