

# CalVet DVBE Advisory Council Meeting Minutes

## Minutes from the October 29, 2015 Meeting

Meeting Location: Medal of Honor Hall CalVet Headquarters      Time: 10:00 a.m. -3:00 p.m.

Attendees	<p><u>Council Members Attending:</u>                  Brian Campbell, Tracey Collins, Coreena Conley, Rene Cota, Leslie Converse, Dave Dickey, Ted Fuentes, Carolyn Hall, Howard Hernandez, Richard Judd, Marty Keller, Levi Kinnard, Dean Lane, Renee Mitchell (Alt. for Robert Vermillion), Bob Mulz, Robert Morrow, Jim Robinson, Mike Sabellico, Sandy Schneeberger, William Schroyer, David Scott and Dave Walker</p> <p><u>Council Members Absent:</u>                  Don Gonneville, Kelly Moskalik and *Kevin O'Connor                  *Notified CalVet of their absence prior to meeting</p> <p><u>CalVet:</u>                  Keith Boylan, Roberto Herrera, Robert Beamer, Gloria Anderson and Stewart MacKenzie</p> <p><u>DGS:</u> Angel Carrera, Susan Sudmann and Tanya Little.</p> <p><u>Guests:</u> Trea Cleaves, Heather Fernandez, Melanie Ramil, Raimone Roberts and Randy</p>
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Welcome, introductions and approval of July 16, 2015, meeting minutes.

Council Co-chair DVBE, Sandy Schneeberger opened the meeting and asked Council member Rene Cota to lead the Pledge of Allegiance. Ms. Schneeberger asked Council Liaison Stewart Mackenzie to take roll. Co-chair Schneeberger asked members to review the minutes for the July 16, 2015, meeting and then asked for a motion to approve. Rene Cota motioned for approval of the minutes and Mike Sabellico seconded. The Council voted unanimously to approve the minutes from the July 16, 2015, meeting.

### Business Items

#### **CalVet Overview – Keith Boylan, Deputy Secretary, Veteran Services Division (VSD)**

- Deputy Secretary Boylan told the Council of the appointment of Dr. Vito Imbasciani as CalVet’s new Secretary. Dr. Imbasciani was a U.S. Army surgeon and then served in the California National Guard. He has a medical practice in Southern California, and is transitioning to his new role. Mr. Boylan mentioned that with his extensive medical background Dr. Imbasciani will be well suited to handle the challenges that come with the Department’s eight veteran homes. Mr. Boylan went on to say that Dr. Imbasciani is very supportive of the Veterans Services Division and he is excited to have him on board.
- Mr. Boylan thanked all Council members for their support of bills that have recently gone through the Legislature and their efforts in keeping CalVet “in the loop” related to their various activities in the community.
- He talked about a recent meeting in Orange County to talk about the planned veteran’s cemetery with Todd Spitzer, Chairman of the Orange County Board of Supervisors. He was joined by Councilmembers Rene Cota and Ted Fuentes on the visit.

# CalVet DVBE Advisory Council Meeting Minutes

- He said the West Los Angeles Home kitchen upgrade is to be completed in the next few weeks. Councilmember Hernandez suggested that CalVet have a ceremony for the opening of the new kitchen at the West LA Home. Mr. Boylan said he would mention it to the CalVet Communications Unit.
- The Monterey Cemetery is well under construction with the administration building completed and other buildings nearing completion. Department of General Services (DGS) has started some preliminary studies in preparation for using the former El Toro Marine Corps Air Station as a possible location for the Orange County cemetery.
- Mr. Boylan reiterated his willingness to attend meetings and offer the Department's support when Councilmember's need his help.

## **DGS Update – Angel Carrera, Chief, Certification and Outreach Branch**

Mr. Carrera mentioned the upcoming State Agency Recognition Awards (SARA) are to be held on January 14, 2016, and said some of the Advisory Council members will serve as judges for the event. The SARA's recognize State Agency achievement in meeting small business and DVBE procurement goals. Mr. Carrera said the Consolidated Annual Report (CAR) that shows all State Agencies SB/DVBE participation goal attainment will be released in November 2015. He also said the CAR has been completely redesigned and will be much easier to understand and much more pleasing to the eye. DGS will also have a CAR "dashboard" on the DGS website where one would be able to search for a particular department and review their SB/DVBE participation. The "dashboard" will be color keyed with underperforming agencies in red, agencies who were close to meeting the goals in yellow and agencies who met their goals in green. Each underperforming agencies Improvement Plan will also be available outlining how they will meet their goals in the coming year. Mr. Carrera asked Council member Keller to talk about the DGS Small Business Advisory Council and their effort to educate state buyers about why it's good business to do business with SB/DVBEs. Mr. Keller said the SB Council is developing a document to educate agency executive staff about the economic value of doing business with SB/DVBEs and fill in the policy background on why this is a good idea. The SB Council will also have a version of the document that will help the actual purchasers at agencies and eventually this information will find its way into the state procurement training classes. Mr. Carrera said that he could not officially announce the SB/DVBE goal numbers for the State of California but he did say the State met its SB/SVBE goals for the sixth consecutive year. He went on to say that CalVet had achieved a DVBE participation goal of 11.68% , and 39.28% in SB. DGS had 27.11% participation in DVBE and 55.40% in SB. Member Keller asked Mr. Carrera for an update on the proposed joint meeting between the DGS Small Business Council and the CalVet DVBE Advisory Council. Mr. Carrera said he supported the joint meeting and details are under discussion. Deputy Secretary Boylan added a "Thank you" to CalVet SB/DVBE Advocate, Gloria Anderson for her diligence in requiring procurement staff to use the CalVet DVBE First Policy in all purchases.

# CalVet DVBE Advisory Council Meeting Minutes

## **Tanya Little – Business Development Program Manager, DGS**

Ms. Little thanked Councilmember Jim Robinson for sitting on the Construction Summit panel on August 25, 2015, and representing SBs and DVBEs. She said the Summit will resume next Wednesday, November 4, 2015, with large business owners. She said at some point she wants to bring the SB/DVBEs and the large businesses together to explore how they can break the ceiling of barriers to SB/DVBEs.

- Teichert, Inc. and Granite Construction will be speakers at the November 4<sup>th</sup> event.
- The request for nominations for the Collaboration Award for Construction Excellence was released on October 27, 2015, and the winner will be announced on January 14, 2016, at the SARA's.
- A survey has gone out to numerous state agencies asking what they will be buying in 2016-2017. A Vendor Showcase 2016 is planned for February 24, 2016, to invite applicable vendors to talk to state agencies about procurement opportunities in a variety of categories. State agency Advocates would also be available to talk to vendors.
- Ms. Little has State Contract and Procurement Registration System (SCPRS) pivot tables on the DGS website in an easy to access format that will allow someone to search a Department's procurement spend by key words.

## **DGS FI\$Cal Update – Susan Sudmann, FI\$Cal Project Team**

Ms. Sudmann updated the Council on the status of the FI\$Cal rollout. FI\$CAL is coming to all agencies in a multi-year phase-in for the purpose of: all accounting functions, budgeting projections and proposals, procurement, and cash management. All training related to functionality of the new system will be online. Off-the-shelf software will be implemented in the project and it will be released in waves with each wave adding more functionality. All current DVBE functions will be available in FI\$Cal and DVBEs will retain their current certification number. Many DVBEs want to know if they are going to be used as a subcontractor on a project, when FISCAL is fully implemented in July 2017, a DVBE identified in an Agency contract will be able to find that information on FI\$Cal. Functionality is scheduled to go live December 9, 2015. Cal eProcure will be the public face of FI\$CAL and also the access portal for SBs and DVBS who want to register, get certified, or change their profile. SCPRS will also be accessed through Cal eProcure. All the functionality that is now in BidSync will be accessed through Cal eProcure. The FI\$CAL team has put a layer on top of the PeopleSoft software program that will be used to make it much more user friendly and also responsive to mobile devices. This will make the program much more user friendly and intuitive. The website address will be caleprocure. She mentioned that all DVBEs will be keeping their current profile information and in early December all SB/DVBEs will be receiving a temporary password and login information. In the near future all DVBEs will be notified of their existing profile and asked to confirm if their profile information is correct.

# CalVet DVBE Advisory Council Meeting Minutes

## **Advocates Update – Bob Beamer, DVBE Outreach Coordinator, CalVet**

Mr. Beamer talked about the updated John K. Lopez SARA nomination format. The request for nominations went to all DVBEs in California on October 26, 2015. The John K. Lopez Awards recognize DVBE entrepreneurship excellence and a commitment to the DVBE Community. Winners demonstrate a leadership role in the veteran's community as an advocate for the DVBE program, participation in community programs that provide other DVBEs with opportunities in sub-contracting and business development, and a commitment to hiring qualified veterans/disabled veterans. Great care was given in the nomination form to explain that there are two John K. Lopez awards; one for Business Excellence and one Individual Excellence. The awardee does not need to be a DVBE. Completed nomination forms must be received by email no later than November 30, 2015.

Mr. Beamer mentioned the upcoming 5<sup>th</sup> Annual Small Business Summit hosted by the Southwest Veterans Business Resource Center on November 4, 2015, at the Moreno Valley Conference Center. Also on November 4<sup>th</sup> CalVet will be conducting a "How to do Business with California Government" in Fresno for the Small business Administration office there. On November 5<sup>th</sup> CalVet will be attending the Connecting Point event in Elk Grove, CA, at the Falls Conference Center and on November 13<sup>th</sup> Keith Boylan and Roberto Herrera will be attending the Alliances' DVBA Salute to Veterans' Day Breakfast at the Beverly Hills Hilton in Beverly Hills, CA.

## **Department of Insurance (DOI) Diversity Update, Melanie Ramil, Chief of Community Programs, DOI**

Ms. Ramil spoke to the Council about the Insurance Diversity Initiative at DOI that deals with the insurance companies that DOI regulates. She said California is the biggest insurance market in the United States and the sixth largest market in the world. Insurance companies in California collect over \$259 billion dollars annually in premiums. In 2011 the DOI surveyed the top 200 insurance companies in California to ask about their diversity programs. Only a quarter of those companies surveyed had a diversity program in place. Because of this the DOI started the Insurance Diversity Initiative in 2011 with the goal of increasing economic opportunity for California's diverse suppliers in the insurance industry. That same year, 2011, the DOI Commissioner formed the Insurance Diversity Taskforce to make recommendations to the Commissioner on how the DOI can improve its diversity outreach to insurance companies, and how those companies can increase their diversity spend. Councilmember Bob Mulz was one of the first members appointed to the Diversity Taskforce. Randy Sinnott, a non-Councilmember appointee on the Council's Insurance Committee, is the DVBE Advocate on the DOI's Diversity Taskforce.

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# CalVet DVBE Advisory Council Meeting Minutes

## Employment Training Panel (ETP) Update, Barry Worthington, Senior Economic Development Analyst, ETP

Mr. Worthington said the ETP provides State Agency money through performance based contracts with California businesses. Training curriculum is developed by the employers and the employer provides their training plan to ETP who puts the plan in an agreement. ETP does finance some soft skills training in certain environments but they are focused primarily on job skills training. Training programs are totally customizable depending on the employer's needs. ETP does not provide the training and they do not mandate topics; the employer selects their own trainers and/or instructors. This is a program where an employer gets to design their own training program, ETP puts it in a contract, the employer documents the training through an ETP database system, and they get paid. ETP can fund whatever training the employer needs. Trainees must complete a minimum of 8 hours of training within the contract term. Training funds are earned after the post-training employment retention period, usually 90-days. The veteran program became a regular part of the ETP program in 2010. Veterans must have served active full-time duty, this includes Reservists who have also served full-time. Hourly reimbursement rates can go as high \$26 dollars an hour and the program offers an additional 20% to pay for employer support costs. ETP Priority Industries include:

- Manufacturing/Food Production
- Biotechnology & Life Sciences
- Information Technology Services
- Multimedia/Entertainment
- Goods Movement & Transportation Logistics
- Agriculture
- Allied Healthcare
- Construction
- Green / Clean Technologies

The ETP Application Process includes:

- Orientation
- Preliminary Application
- Determination of Eligibility
- Site Visit
- Application for Funding
- Contract Development
- Approval – Funded Training Begins

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**Lunch 11:50- 1:00 p.m.**

# CalVet DVBE Advisory Council Meeting Minutes

## Committee Reports – Committee Chair (unless otherwise noted)

### CPUC Committee – Rene Cota, Committee Chair

Committee Chair Cota said that the number of DVBE contracts with the CPUC was relatively small and one of the committee's goals is to spread the contracts out to a larger number of DVBEs. To accomplish that the committee's new objective is to establish communication with CPUC Commissioner Sandoval by 3<sup>rd</sup> Quarter FY 2015/2016. In preparation for this meeting, CalVet Liaison Robert Beamer has spoken with Stephanie Green, Manager of Small Business Outreach at the CPUC. Ms. Green stated that new CPUC President, Michael Picker, will examine current responsibilities of the Commissioners and may make changes. Ms. Green recommended waiting until President Picker more clearly defines the Commissioners roles. CalVet has submitted five meeting requests to the Commissioner's Office and had scheduled one meeting. That meeting was postponed due to the Commissioner's Schedule. Deputy Secretary Boylan has committed to attend the meeting with Commissioner Sandoval. The committee still is pursuing seats on the California Utilities Diversity Council (CUDC) and the National Utilities Diversity Council (NUDC). Deputy Secretary Boylan said he would help in this process. The committee has encountered some roadblocks in getting a seat on the CUDC and they are exploring other options. Mr. Cota had a meeting with Doug Potter from Southern California Edison, who is the chair of the CUDC, and things look favorable in securing a seat on that council. Mr. Potter asked that Keith Boylan officially request a seat for an Advisory Council member to move the process along.

**Action Item:** The Committee will develop Goal(s) statement(s) that will align with the newly adopted Council Mission Statement and present them to the Council at the January 21, 2016, meeting.

**Action Item:** The Committee will request the CPUC send its Small Business/DVBE participation report to all Veteran related Committees in both chambers of the Legislature.

### Outreach & Education Committee – Dean Lane, Committee Chair

Mr. Lane reported that the committee is in the process of researching non-profit groups or DVBEs that would be willing to fund the Charter Media plan proposed to CalVet. Committee Liaison Beamer added that the committee has asked each committee member to propose two new objectives to be considered and the selected Mr. Lane reported that Councilmember David Scott would be joining the Outreach & Education Committee

**Action Item:** The Committee will develop Goal(s) statement(s) that will align with the newly adopted Council Mission Statement and present them to the Council at the January 21, 2016, meeting.

# CalVet DVBE Advisory Council Meeting Minutes

## Insurance Committee – Ted Fuentes, Committee Chair

Mr. Fuentes said that the earlier presentation by Melanie Ramil covered everything the committee might want to share with the Council. He said that the committee has a great connection to the DOI Diversity Taskforce because Randy Sinnott is on the Diversity Taskforce and also on the Council's Insurance committee. Mr. Fuentes went on to talk about DVBE compliance and the ongoing issue of companies including DVBEs in the initial proposal as a subcontractor, sometimes winning the bid because of the DVBE subcontractors they say they will be using in the project. Often times when the subject is brought up to the company that said they would be using the DVBE they are treated rudely. Councilmember Rene Cota added that this lack of enforcement was brought to the attention of DGS and one of the items discussed was a Procurement Taskforce that would be responsible for monitoring DVBE compliance when participation is listed in a proposal, but the DVBE subcontractor is not used. DGS only sanctions a company by taking their certification away when the action is "egregious." Mr. Cota was concerned about the "gray" area between egregious and the smaller dollar amounts the typical DVBE subcontractor is denied when they are listed, but not used on the project. CalVet Small Business / DVBE Advocate Gloria Anderson added that when a contractor fills out the bidders agreement stating that they will be using a DVBE in the work it is clearly stated that if they do not use the DVBE stated in the contract for whatever reason, they must go back and substitute another DVBE to be in compliance. Ms. Anderson said that these matters should be brought to CalVet to pursue because CalVet speaks for the DVBE to DGS. She also mentioned new regulations that require reporting Agencies to list the contracts that have a DVBE commitment, how many dollars were committed to the DVBE, and how much was reported back to the Agency.

The Committee reported is had developed a goal statement that aligns with the Council Mission Statement. The committee's goal statement is:

"To support California's DVBEs by collaborating with the Department of Insurance Diversity Task Force and its Diversity Supplier Committee to insure DVBE participation in all phases of Insurance Company contracting."

**Action Item:** Update the Council on the development of a DVBE Procurement Taskforce discussed in the meeting.

## Legislative Committee – Marty Keller, Committee Chair

Mr. Keller said the Council supported four bills this year and two of the bills passed. The first was AJR7 (Mathis) that would allow a veteran to use their GI Bill funds to start a business. The second bill was AB 413 (Chavez) that would extend to three years the DVBE certification of a veteran that had passed away or is unable to oversee the daily operation of their business to the spouse or surviving family member. The bill received 100% support in all committees and both houses and was signed by the Governor on October 6, 2015, and goes into effect on January 1, 2016. The other bills are AB1302 (Brown) that would expand Statewide DVBE participation rate from 3% to 5% , and AB1445 (Brown) which would extend the SB/DVBE Option from \$250,000 to \$500,000. Both of these bill will be carried into next year's legislative cycle. The committee also looked at two other bill SB159 (Nielsen) which failed to clear its second policy committee in the Senate and AB1218 (Webber) is being held on suspense in the Senate Appropriations Committee. Both of these bills were addressing the reporting issues brought up in the DVBE State Audit. Mr. Keller said at this point in time there are no bills that deal with DVBE issues brought up in the State Audit and this will give the Council an opportunity to pursue legislation that does not deal with State Audit remedies.

# CalVet DVBE Advisory Council Meeting Minutes

## **Membership Committee** – Dave Dickey, Committee Chair

Mr. Dickey said the committee updated the Council’s Operating Guidelines to address minor inconsistencies and to reflect the new language in the Council Application. He said the Council has two DVBE sets available and as a result of the request for applicants that was sent to all DVBEs Statewide on October 8, 2015, the committee has 21 applications for review. He said the committee will review and rank the applications for Mr. Boylan’s review and final selection. Mr. Dickey reviewed the changes in the Operating Guidelines for the committee. Deputy Secretary Boylan asked for clarification on the Council Members terms and asked which members needed to request a second term. Mr. Mackenzie explained and after some discussion it was agreed that a letter would be sent the 7 Councilmembers who were seated in January of 2015, asking them to request a second term on the Council. Chair Dickey asked for a motion to approve the changes and member Keller moved to adopt the changes to the Operating Guidelines; Mike Sabellico seconded the motion. The motion passed unanimously.

The Committee reported is had developed a goal statement that aligns with the Council Mission Statement. The committee’s goal statement is:

“To Support the DVBE Advisory Council by keeping a current list of candidates ready to review, rank and recommend to the Veteran Services Deputy Secretary when Council seats become available.”

**Action Item:** The Committee will review the submitted Council applications, and with existing applications, work to identify and rank new Council member candidates to fill vacant seats.

**Action Item:** The Committee will plot the entire Council’s term start dates, dates to request a subsequent term and dates their term will expire. Committee liaison MacKenzie will assemble all relevant application documents for the Membership Committee’s review.

## **Procurement Committee** – Bob Mulz, Committee Chair

Bob Mulz, the committee chair reported on the importance of building DGS reciprocity partners such as LA Metro, and the City of San Diego. Mr. Mulz requested that individuals who approach potential DGS reciprocity partners should reside within the community, to which the potential partner exists, in an effort to build a more grass roots effort. Co-Chair Sandy Schneeberger suggested for an agenda item at the January meeting to discuss procurement practices at the County and Local level.

## **Public Comments**

- No public comments.

## **Closing Remarks & Next Meeting Date** – Sandy Schneeberger

- Next Meeting: Thursday, January 29, 2016 – CalVet Headquarters, Sacramento
  - Video Teleconferencing available at: West Los Angeles, Chula Vista and Redding Veterans Homes

## **Adjournment**

For questions, please contact:  
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Next Meeting: January 29, 2016 Medal of Honor Hall CalVet Headquarters