

From: PAMS@DGS <PAMS@dgs.ca.gov>

Sent: Monday, November 18, 2024 9:53 AM

Subject: 2-year SB/DVBE Participation Goal Status and Potential Remedial Actions

To PCO/PAC,

Thank you for your continuous efforts to support Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) inclusion in state contracting. Your commitment is crucial to fostering a diverse and equitable contracting environment across California.

As you know, Assembly Bill 2019 tasked DGS/OSDS to apply remedial actions (up to, but not limited to, removal of purchasing authority) to state agencies/departments that do not meet the 25% SB or the 3% DVBE participation goals for 3 out of 5 years starting with year 2022-23. Per our records, your department did not meet the SB and/or DVBE goals for 2022-23, and it looks like that it will not meet these goals for 2023-24. As the SB and DVBE goals were not met for 2 of the 5 years, your department is at risk to be subject to remedial action(s) if the SB and DVBE goals are not met in any of the three following years.

We have recently formed a workgroup to identify remedial actions under AB 2019. This collaborative group comprises procurement officials and advocates from several departments, as well as representatives from DGS in procurement, policy, legal, audits, and OSDS. Together, we are examining practical solutions to address challenges and develop actionable steps that support SB and DVBE participation goals. Please note that specific remedial actions are still being identified and will be communicated via a broadcast bulletin once they are adopted.

To prevent future application of remedial actions to the extent possible, OSDS has been surveying and/or meeting with departments on the implementation of AB 2019, to ensure they are reporting SB/DVBE participation or have documented exemptions for SB/DVBE CAR reporting (if applicable), and to identify any assistance that OSDS can offer to support SB/DVBE activities.

We encourage you to review your department's improvement plan and monitor the SB /DVBE participation data frequently to determine what additional efforts can be made to course correct and meet the goals. Additionally, if your department has not yet met with our Advocacy Support team as part of our agency visit effort, please feel free to request a consultation with OSDS at advocate@dgs.ca.gov or CalVet at dvbe@calvet.ca.gov, to discuss strategies for meeting the SB/DVBE participation goals and improving your department's performance in this area. Only reach out to CalVet if your department did not meet the DVBE goal.

Thank you once again for your commitment to this initiative.

Purchasing Authority Management Section (PAMS)

Procurement Division

Department of General Services

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Beware of Fraudulent Activity! – DGS has recently been made aware of fraudulent Purchase Orders and Spoof emails issued to the vendor community. Always confirm the validity of any Purchase Order by contacting the agency making the request. Do not process any order that appears suspicious. Do not click on any hyperlinks from a suspicious email. A list of state agencies with purchasing authority is provided on the DGS website located at <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/List-of-State-Departments-with-Approved-Purchasing-Authority>. Be vigilant by confirming valid State of California emails and phone numbers. Vigilance is everyone's responsibility. For more information please visit <https://www.dgs.ca.gov/PD/News/Page-Content/Procurement-Division-News-List-Folder/Fraud-Alert>