

Economic Equity First Action Plan Submission and Annual Update User Guide



Provided by the California Office of the Small Business Advocate

2024-25

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Introduction

AB 2019 requires state department small business liaisons to develop “economic equity first” action plans and policies to provide direction, recommendations, and strategies to ensure that California certified small businesses and certified disabled veteran business enterprises are effectively involved and benefiting from the agency’s procurement process.

CalOSBA developed a digital **Economic Equity First (EEF) Action Plan Submission and Annual Update Form** for liaisons to help them prepare a plan, and document implementation and reporting. This two-part form will capture the department's plans, processes and activities to support equitable and inclusive access to state contracting for certified small and disabled veteran owned businesses.

All small business liaisons, whether or not having previously submitted an EEF action plan, are required to complete each section of the two parts of the form. For additional information and guidance on developing an EEF action plan, please refer to the **Economic Equity First Action Plan Framework** – available in the [Resources](#) section of this guide.

Note: CalOSBA is not responsible for any agency’s procurement performance. Each agency and the respective liaison are responsible for their own design, implementation, and procurement compliance. CalOSBA is responsible for providing the reporting framework and for gathering and publishing the results of each agency annually.

Completing the Economic Equity First Action Plan Submission and Annual Update Form

Step 1: Organize Your Data

It is beneficial to organize and collect the data prior to accessing the form. It is useful to review the questions provided in Step 3 of this guide to help identify and gather the information you'll need.

It should take from 1.5 to 3 hours to complete the form (not including gathering the information needed to complete this form). It is not required to complete the form in one setting. Any progress made towards completing the form is saved by submitting a draft which can be accessed and completed later. However, all changes must be completed by November 28 – no changes will be accepted after November 28.

Step 2: Access the Economic Equity First Action Plan Submission and Annual Update Form

Navigate to <https://forms.office.com/g/WkUB8YaiA8> in the web browser.

Click on “Start now” to begin EEF action plan submission or annual update



Step 3: Economic Equity First Action Plan Submission and Annual Update Form

There are two parts to the form.

Part One:

- Department Information
- Department Assessment
- Accountability Metrics
- Outreach to Small Businesses on Contracting with the Department

Part Two:

- Collaboration with Community-based Organizations and other State Departments
- Internal Department Education and Training
- Technology Tools
- Procurement Processes

Following is a description of the purpose of each section for both Part One and Part Two and the types of information required. Use this section of the guide to help you gather and organize your data.

Part One

Department Information

This section asks for information on the department and the department's small business liaison, including the department's size by number of employees and the liaison's contact information.

#s Questions

- 1 Department name
- 2-6 Liaison's name, title and contact information
- 7 Size of Department (by number of employees)

Department Assessment

Include in the plan and annual update an assessment of the department's procurement processes and resources for the current budget year. The liaison should analyze the department's current fiscal year performance and compare it against the previous year. Please complete the assessment regardless of whether an Economic Equity First Action Plan has been adopted and implemented.

In this section, provide the department's budget, small business contracting goals, personnel capacity, technology tools, procurement processes, payment terms, challenges and anonymous vendor feedback. These questions include the following:

#s Questions

- 8 What was the department's procurement budget for the reporting fiscal year?
- 9 What was the department's percentage of small business participation for the reporting fiscal year?
- 10 Did the department's percentage of small business participation change from the previous fiscal year?
- 11 How much of the department's procurement budget is mandated to be contracted with certified small businesses?
- 12 What percentage of the department liaison's duty statement is allocated to the liaison function?
- 13 Did the liaison's duties change for the reporting fiscal year?
- 14 List any other staff that supports small business procurement for the department
- 15 Did the amount of support change for the reporting fiscal year?
- 16 Does the department seek feedback from its vendors about the department's procurement process?
- 17 Does the department provide feedback to unsuccessful bidders?
- 18 Clearly identify all existing barriers to providing equitable access to state contracting for small businesses (select all that apply).
- 19 How effective is the department's process for collecting and reporting the following data?
 - ERGSO
 - IJJA
 - TACPA
 - Prompt Payment Penalties

20 Rate the department for the following questions:

- How well does the department identify and use new vendors to ensure a robust and diverse vendor pool?
- The department's process for improving access to contracting for small businesses.

21 Share any additional insights into the department's assessment.

Accountability Metrics

Liaisons are encouraged to develop and implement strategies in the Economic Equity First Action Plan to measure all identified metric goals.

In this section share the department's progress towards these goals. For each accountability metric listed below, please provide the data for reporting fiscal year and how it compares to the previous fiscal year, e.g. increased, stayed the same or decreased. Please complete the assessment regardless of whether an Economic Equity First Action Plan has been adopted and implemented.

#s Questions

- 22-23 Total contract dollars awarded to small businesses
- 24-25 Percentage of contracts awarded to small businesses
- 26-27 Percentage of contracts awarded to disabled veteran business enterprises (DVBES)
- 28-29 Percentage of contracts awarded to rural small businesses
- 30-31 Number of contracts awarded to small business primes
- 32-33 Number of contracts awarded to small business subcontractors
- 34-35 Number of contracts awarded to small businesses in CalSAT-determined disadvantaged areas
- 36-37 Number of contracts awarded to small businesses in CalSAT-determined disaster areas
- 38 Based on the accountability metrics above, what is the department's plan to improve next year?
- 39 Share any additional insights into the department's accountability metrics.

Outreach to Small Businesses on Contracting with the Department

Liaisons are recommended to build outreach strategies into the action plan to deepen the reach to diverse small businesses in California.

In this section describe the actions the department has taken to reach out to small business communities and compare these efforts to those of the previous fiscal year (even if the department has not submitted an Economic Equity First Action Plan.) Use the last two questions in this section to submit or update the department's action plan outlining effective outreach to small businesses.

#s Questions

- 40-41 Total number of department-hosted events
- 42-43 Total number of department training hours (1-on-1 meetings)
- 44-45 Total number of events attended
- 46-47 Total number of cities served
- 48-49 Total number of participants for all attended events (or approximate, if total is unknown)
- 50-51 What was the total number of participants at attended events hosted by organizations with a focus on the following demographics (or approximate, if total is unknown):
 - Asian
 - African American
 - Hispanic/Latino
 - Women
 - LGBTQ
 - Minority
 - DVBEs
 - Rural Areas
 - Disaster Areas
- 52-53 Percentage of overall event attendees that were state small business or DVBE certified
- 54-55 How many "Meet the Primes" events did the department host?
- 56 What is the department's plan or plan modification to ensure effective outreach to small businesses?
- 57 Share any additional insights into the department's outreach plan:

Part Two

Collaboration

Liaisons should leverage state, federal, and local partnerships such as the California network of small business technical assistance centers and community-based organizations to broaden the reach to diverse small businesses. Fostering new and strengthening existing relationships can provide additional ways to share information on upcoming bid opportunities, what the department purchases, different acquisition methods used, and connecting businesses to no -cost counseling and training on solicitations and the bidding process. Furthermore, cross-collaboration and communication provides opportunities to share best practices around breaking down barriers to state contracting for disadvantaged communities.

In this section describe actions the department has taken to collaborate with other government entities and the small business community and compare these efforts to those of the previous fiscal year regardless of whether an Economic Equity First Action Plan has been adopted and implemented. Use the last three questions in this section to submit or update an action plan outlining the department's actions for ensuring effective collaboration.

#s Questions

- 2-3 Total number of state departments the department collaborated with to assist small businesses:
- CalOSBA
 - DGS OSDS
 - DGS Statewide Supplier Diversity Program
 - CalTrans
 - High Speed Rail
 - Other State Departments
- 4-5 Total number of federal departments/programs the department collaborated with to assist small businesses:
- Small Business Administration (SBA)
 - Small Business Development Centers (SBDCs)
 - Apex Accelerators
 - Other Federal Departments/Programs
- 6-7 Total number of civic organizations (by type of organization) that the department collaborated with to assist small businesses:
- Chambers of Commerce
 - Trade Associations
 - Ethnic Media Organizations

- Other Community-Based Organizations (CBOs)
- 8-9 Total number of organizations focused on serving the following demographics that the department collaborated with to support small businesses:
- Asian
 - African American
 - Hispanic/Latino
 - Native American
 - Women
 - LGBTQ
 - Minority
 - DVBES
 - Rural Areas
 - Disaster Areas
- 10-11 Total number of partnerships with local governmental entities leveraged to assist small business and DVBES:
- Cities
 - Counties
 - Utilities
 - Others
- 12 What is the department's plan or plan modification regarding collaboration with other entities to support increasing state contracting opportunities for small businesses?
- 13 What type of collaboration activities will be included in the department's plan or modified to ensure effective collaboration with partners to support increasing state contracting opportunities for small businesses?
- 14 Share any additional insights into the department's collaborative efforts.

Internal Training

Liaisons are required by Government Code § 14846 to assist the agency secretary, department director, or executive officer, as applicable, in ensuring that the procurement and contracting processes are administered to meet or exceed the 25 percent small business participation and 3 percent disabled veteran business enterprise goals; develop and share innovative procurement and contracting practices from the public and private sectors to increase opportunities for small businesses.

In this section describe the department's internal support and education and compare these efforts to those of the previous fiscal year regardless of whether the department has submitted an Economic Equity First Action Plan. Use the last two questions in this section

to submit or update an action plan outlining the department's actions for ensuring effective internal education.

#s Questions

- 15-16 Total number of published internal newsletters/articles
- 17-18 Total number of internal presentations/trainings
- 19-20 Did department staff attend any of the following educational/support meetings hosted by CalOSBA?
 - Small Business Liaison Convening
 - 1-on-1 meetings with CalOSBA
- 21-22 Did department staff attend any of the following educational/support meetings hosted by DGS?
 - Quarterly Advocate Meetings
 - Best Practices Webinar
 - Reporting Trainings
 - California Procurement and Contracting Training (CalPCA)
 - 1-on-1 meetings with Statewide Advocacy Support
- 23-24 How often does the department do an internal review of the Equity Action Plan?
- 25 What other forms of internal training did the department staff attend that are not listed above?
- 26 What is the department's plan or plan modification to include the following internal education to support state contracting opportunities for small businesses?
- 27 Share any additional insights into the department's internal education efforts.

Technology Tools

Liaisons shall include in the Economic Equity First Action Plan a strategy to reduce barriers to contracting opportunities for small businesses and increase access to procurement information. Liaisons should work with their department's information technology unit to use human-centered design to develop the department's website and to enhance the user experience for small businesses; review and revise content to use more plain language, also as best possible adopting the use of plain language for solicitations; and ensure that the department's small business liaison and advocate's contact information is easily accessible. This may require language translation efforts for content or information that cannot be translated by the agency's website translator tool (i.e., google translate).

Liaisons shall include in the Economic Equity First Action Plan a strategy to create more transparency regarding the department's procurement process which may include bid

opportunities, notices of awards and protest periods, final awards including name of business, dollar amount of award, and indicate whether it is a certified small business. Greater government transparency creates greater trust amongst the small business community and disadvantaged communities.

In this section describe the technology tools the department uses to reduce barriers and improve access to information and opportunities for small businesses and compare these efforts to those of the previous fiscal year regardless of whether the department has submitted an Economic Equity First Action Plan. Use the last two questions in this section to submit or update an action plan outlining how the department will ensure equitable access to procurement information and contracting opportunities.

#s Questions

- 28-29 Which tools did the department use to reduce barriers to access to procurement information and contracting opportunities for the reporting fiscal year?
- Website
 - Social Media
 - Translator Tools (i.e. Google Translate)
 - Accessibility Checkers (i.e., Adobe Acrobat)
 - Use QR Codes
 - Email Campaigns
 - Readability Checkers (i.e., Grammarly, Hemmingway)
 - Dashboards
 - Customer Record Management (CRM)
 - Other (please describe)
- 30-31 What information is available on the department's website?
- How to do Business with the State/Department
 - Bidding Opportunities
 - Small Business Liaison Contact Information
 - SB/DVBE Advocate Contact Information
 - Contact Form
 - Event Calendar
 - Other (please describe)
- 32-33 How is social media used to increase access to procurement information?
- Announce Solicitations
 - Publicize Outreach/Educational Events
 - Share Success Stories
 - Other (please describe)

- 34 How are surveys used?
- Event Follow-up
 - Feedback on the Bidding Process
 - General Feedback
 - Not Used
 - Other (please describe)
- 35 How are QR codes used?
- Link to Website
 - Collect Contact Information
 - Feedback Survey
 - Not Used
 - Other (please describe)
- 36 What is the department's plan or plan modification to include the following technology tools to increase access to information and opportunities?
- 37 Share any additional insights into the department's use of technology tools.

Processes

Liaisons shall include in the action plan a strategy to improve and innovate the solicitation process and make state contracting more accessible to small business. The action plan should also include strategies to increase the pool of certified small business that have not contracted with the state or infrequently contract with the state, and to reduce barriers within the solicitation process.

In this last section describe actions taken in the reporting fiscal year by the department to innovate and improve access and eliminate barriers to contracting opportunities for small businesses and compare these efforts to those taken in the previous fiscal year regardless of whether the department has previously submitted an Economic Equity First Action Plan). Then set goals for the next fiscal year.

Use the last two questions in this section to submit or update an action plan outlining how the department will innovate, improve, and streamline procurement processes to improve access and eliminate barriers to contracting opportunities for small businesses.

#s Questions

- 38 What percentage of the department's annual solicitations used and are planning to use the SB/DVBE option acquisition method?

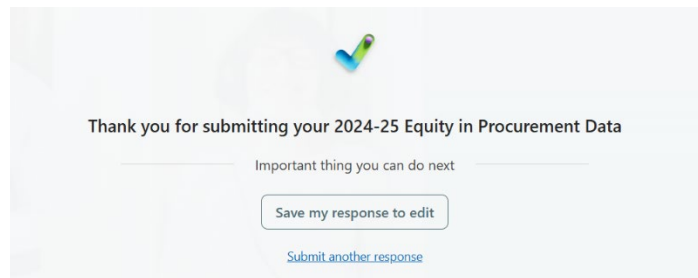
- 39 What percentage of the department's annual solicitations that used the SB/DVBE option acquisition method were advertised and are planning to advertise on Cal eProcure?
- 40 What percentage of the department's annual solicitations used and are planning to use the Fair and Reasonable acquisition method?
- 41 Of the solicitations that used the Fair and Reasonable acquisition method, what percentage were advertised or are planned to be advertised on Cal eProcure?
- 42 What percentage of the department's annual contracts used and are planning to use CMAS as a supplier?
- 43 How many "not previously awarded" certified small businesses were awarded and are planned to be awarded contracts?
- 44 What percentage of the department's Request for Information solicitation format was used and are planning to be used with small businesses?
- 45 What percentage of the department's annual solicitations used and are planning to use Cal eProcure to find and include certified small business suppliers in the solicitation process?
- 46 What percentage of the department's annual solicitations used and are planning to use the Voluntary Diversity Data in Cal eProcure to broaden the pool of diverse certified small businesses in the solicitation process?
- 47 What percentage of solicitations did the department use and are planning to use CalSAT to find and include certified small business in disadvantaged communities to build the pool of diverse suppliers?
- 48 How many ERGSO reports did the department file or plan to file?
- 49 How many IJJA reports did the department file or plan to file?
- 50 How many TACPA reports did the department file or plan to file?
- 51 How many small businesses received a late payment penalty or what is the limit of late payment penalties to be paid?
- 52 What is the total late payment penalty dollar amount paid or plan to be limited to small businesses?
- 53 How many times did the department use or plan to use the SB/DVBE Off-Ramp for mandatory Statewide contracts?
- 54 What percentage of the department's annual solicitations were or will be "unbundled" to allow for multiple certified small business awardees?
- 55 What percentage of the department's annual solicitations provided or plan to provide a reduction in requirements (i.e., experience, references, inventory, etc.) for certified small businesses?

- 56 What is the department's plan or plan modification to streamline the procurement process?
- 57 Share any additional insights into the department's procurement processes.

Step 4: Submit Your AB 2019 Equity Action Plan & Annual Update

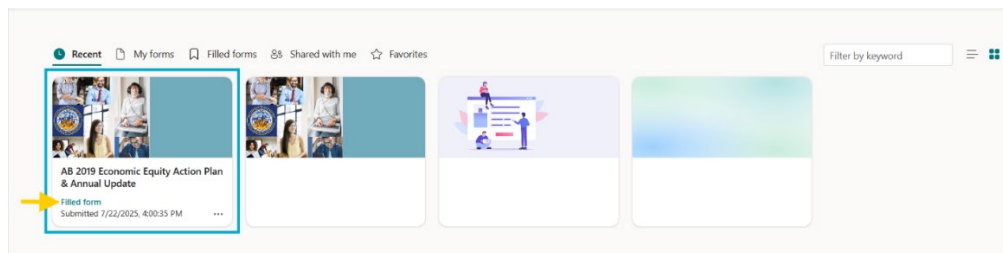
On the submission page, you will be asked to certify that the information provided in the report is true to the best of your knowledge at the time of submission along with the name and contact information of the person making the submission.

After you click “Submit,” here is what the confirmation page will look like...



Here, it is recommended to save your response before closing the tab or submitting another response (if submitting for multiple departments). Saving your submission will allow you to return to the form and make any corrections before November 30 deadline. You can also use the submission for ongoing internal review of the department’s EEF action plan.

To return to your submission, go to Microsoft Forms and click on the Economic Equity First Action Plan & Annual Update *filled form* in your recent forms.



Once open, you can view, print/download* and edit submitted responses. ***Note however, that no edits will be permitted or accepted after November 28.***

**To “download” submitted responses, use your browser’s print function (Ctrl+P or click the printer icon). Select Microsoft Print to PDF or Adobe PDF as the printer and follow the prompts to save the submitted form as a PDF.*

Resources

The Small Business Liaison Resources Page

Visit the [Small Business Liaison Resources](#) section of the [Doing Business with the State webpage](#) for helpful tips and resources designed to assist liaisons in their role in supporting small businesses in California.

The Small Business Liaison Directory

Find other small business liaisons in the [Small Business Liaison Directory](#) to collaborate with and share best practices.

Small Business Liaison Office Hours

[Schedule a 1:1 session](#) for technical assistance in completing the Economic Equity First Action Plan and Annual Update form for your department. Sessions are available on a first-come, first-served basis.

Statewide Supplier Diversity Program (SSDP)

The [Statewide Supplier Diversity Program](#) is the state's leader in implementing strategies and providing guidance to state departments to advance the equitable inclusion and use of small and diverse businesses in California's state procurement and contracting opportunities. The program is a great resource for developing strategies for equitable inclusion in state procurement. The SSDP team is also available to [schedule 1:1 consultations](#).

Statewide Advocate Support Section (SASS)

While the [Statewide Advocate Support Section](#) under DGS's Office of Small Business & DVBE Services primarily focuses on support for SB/DVBE Advocates, they also have plenty of resources that are helpful for small business liaisons. For example, the [SASS reporting team](#) is a great resource for finding, submitting and understanding contracting data such as the Consolidated Annual Report (CAR); using Fi\$Cal to run CAR (Form 810) reports; and collecting and submitting IJJA and ERGSO reports.

Government Regulations and Codes

Below are government codes and policies that align with the various sections of the equity plan framework in the attached document for helpful reference.

Accountability

- [PCC § 10111 GC § 14838.1\(f\)](#) (Mandated) - Consolidated Annual Report
- [GC § 11148.5](#) Contracting Goal Compliance (Mandated)
- [GC § 927](#) (Mandated) - Prompt Payment

Outreach

- [GC § 7528](#) (Mandated) - State agencies are required to maintain customer service information on website
- [GC §§ 11148.5](#) - Customer Service, Training to SBs,
- [GC §§ 14836-14843, 14845](#) - SB Liaison
- [PCC §§ 10115.2-10115.5; MVC §§ 999-999.7](#) (Mandated) - DVBE Participation Program
- [GC §§ 11139.6-11139.8](#) - Focused targeted outreach
- [GC § 14825](#) et seq. (Mandated) - Advertising contracts
- [GC § 11139.6](#) - Use of CalSAT for Targeted Outreach Strategies
- [MVC 999.9-999.10](#) and [GC 14838.1](#) (AB 1574 and AB 2974) - DVBE Participation Goals

Collaboration

- [GC §§ 11139.6-11139.8](#) - Focused targeted outreach
- [GC §§ 65054-60054.3](#) - Requires state department to use ethnic media for outreach in disadvantaged communities

Internal Training

- [GC § 14845\(d\)](#) - Recommends including training provided by DGS-CalPCA
- [Executive Order D-55-02](#) – State Contracting and Procurement Procedures
- [Executive Order N-16-22](#) - TACPA Training Compliance

Technology Tools

- [Executive Order N-16-22](#) – Refers to the use of data collection tools
- [GC Section 11139.6](#) - Use of CalSAT for Targeted Outreach Strategies
- [EO B-12-11](#) - Procurement Dashboards (all departments and agencies should use the website to provide information to California’s taxpayers) Intake

Processes

- PCC §§ [10290](#), [10290.1](#), [12101.5\(b\)](#) (AB 1727 in 1993), [10298](#), [10299](#), [12100.7](#) - State Acquisition of Goods and Services

FAQs

Q: Is my department required to submit an Economic Equity First Action Plan?

A: Every department that buys goods or services and submits a consolidated annual report to DGS is required to submit an Economic Equity First Action plan through the department's liaison. The corresponding Annual Update provides the department with insight into the effectiveness of its Action Plan while providing CalOSBA with quantifiable data to report the impact of AB 2019's implementation and California's progress in advancing equitable procurement practices and expanding small business participation in state contracting.

Q: When is the Economic Equity First Action Plan or update due?

A: November 28, 2025. Economic Equity First Action Plans submitted before November 28 may be edited until the deadline. However, no edits will be permitted or accepted after November 28.

Q: Where can I find the requested data?

A: For each question in the Economic Equity First Action Plan & Annual Update form the source for the requested data is provided just beneath the question. If the department did not collect this data or does not have access to the requested data, please provide a detailed reason why and the efforts made to collect or access the data in the last question of each section provided for sharing any additional insights.

Economic Equity First Action Plan Framework



California Office of Small Business Advocate
"Economic Equity First" Action plan
A Guide for State Agency Small Business Liaisons

Tara Lynn Gray, Director
Clair Whitmer, Deputy Director
Sara Curtis, Chief of Staff

This document is for state internal use and should not be shared beyond the intended recipients.

California Office of the Small Business Advocate (CalOSBA)

The California Office of the Small Business Advocate (CalOSBA) within the Governor's Office of Business and Economic Development supports economic growth and innovation and ensures that ALL California small businesses and innovative startups have the information and direct support they need to better navigate resources, programs and regulations. CalOSBA serves as the voice of small businesses, representing their views and interests across the state and advocating for equitable access to capital, markets, and networks so that all California small businesses successfully start, manage, grow and become more resilient.

Background

AB2019, Small business enterprises, was authored by Assemblymember Petrie-Norris (D) and approved by Governor Newsom on September 29, 2022. Existing law requires each state agency that significantly regulates or impacts small business to designate at least one person to serve as a small business liaison for the agency. Existing law requires the small business liaison to be responsible for, among other things, receiving and responding to complaints received by the agency from small businesses and assisting in ensuring that the procurement and contracting processes of the entity are administered in order to meet or exceed the goal of 25% small business participation. The bill requires each small business liaison to develop an "economic equity first" action plan (herein referred to as the "action plan") and policy for the agency to provide, among other things, direction, recommendations, and strategies as to how to ensure that small businesses, as specified, are effectively involved and benefiting from the agency's procurement process. The bill requires the Action Plan and policy to be adopted by January 1, 2024. The bill also requires the action plan to include, as part of a general outreach effort to all small businesses,

education, outreach, and stakeholder engagement with representative business organizations and business enterprises owned by women, minorities, and members of the LGBTQ community.

Additionally, the bill requires CalOSBA's annual report to include details regarding the office's activities to support procurement participation by small businesses, microbusinesses, disabled veteran business enterprises, and businesses owned by women, minorities, or members of the LGBTQ community that also qualify as a small business, microbusiness, or disabled veteran business enterprise, as well as compliance and implementation of specified action plans and policies by state agency liaisons and advocates. The bill requires each state agency to provide information regarding its activities to the advocate upon request. CalOSBA is statutorily mandated to provide its annual report to the Governor and Legislature, as well as post it publicly online.

The bill requires agency Director's to establish a minimum goal of 25% procurement participation for small businesses, including microbusinesses.

For the full AB2019 statute, including the respective roles of DGS and CalOSBA, click [here](#).

Definitions

- "Advocate" means the Small Business Advocate who is also the Director of the Office of Small Business Advocate.
- "Director" means the Director of the Office of Small Business Advocate.
- "Office" means the Office of Small Business Advocate.
- "GO-Biz" means the Governor's Office of Business and Economic Development.
- "Small business liaison" means the state agency's assigned small business liaison.
- "SBE" means a small business enterprise.
- "MBE" means a minority-owned business enterprise.
- "SB/DVBE" means small business and disabled veteran business enterprises.
- "PMT" means Prompt Payment Terms.
- "Demographics" means voluntary/optional reporting of the following groups:
 - LGTBQ+
 - Minority/POC
 - Asian
 - Other Pacific Islander
 - Native American
 - African-American/Black
 - Hispanic or Latino
 - Women
 - Veteran
 - Rural
 - Disaster
 - Disabled

"Economic Equity First" Action Plan Framework

CalOSBA has developed a framework for liaisons to prepare and implement a successful Economic Equity First action plan. The following is provided as guidance and recommendations to all liaisons. CalOSBA is not responsible for any agency's procurement performance. Each agency and the respective liaison are responsible for their own design, implementation, and procurement performance. CalOSBA is

responsible to provide the reporting framework and to gather and publish the results of each agency annually.

Assessment

Liaisons shall include in their action plan an assessment of the agency's procurement processes and resources for the current budget year. Each year, liaisons are recommended to analyze their performance against the first year of implementation of the action plan. Liaisons are recommended to identify and assess:

- Budget: Identify the agency annual procurement budget per year (July 1 – June 30)
- Small Business Goal: Identify the dollar amount of procurement budget mandated for contracts with certified small businesses – minimum 25%
- Personnel Capacity – Clearly identify the name and title of the liaison, how much of their duty statement is allocated to the liaison function, and any other staff that supports procurement for the agency.
- Technology tools and processes: To help reduce barriers to information and opportunities, agencies must assess the current resources used to share information. Technology itself poses multiple barriers, including rural bandwidth challenges, literacy, language, education, and more. Barriers like these allow large vendors to continuously access and win bids due to their capacity and familiarity to navigate these tools and processes.
- Payment terms: What payment options are there? How long does it take to issue payment to a vendor?
- Obstacles: Clearly identify all other existing barriers to equitable access to bids by small businesses.
- Anonymous survey: Develop an anonymous survey that will be sent out to the agency's vendor list that will request feedback on the agency's procurement process including but not limited to learning about the bid, communicating with the agency, submitting a bid, award/declination, payment process, etc.

Accountability Metrics

CalOSBA has developed a list of input and output metrics for the liaisons to use and adopt. Liaisons are highly encouraged to implement additional metric goals above this baseline to support the above action plan. Set your goals and be accountable for them.

	Process/Effort Metrics (Current, YOY)	Impact Metrics (Current, YOY, By Zip Code)
Economic Equity First Action plan	Agency Procurement Budget	Economic Impact: Contracts awarded to SB's by \$'s, and overall %. Who received the awards by demography and geography?
	Action plan adoption % (minimum 25%)	Economic Multiplier (using appropriate industry index)
	All supporting activities' metrics	Estimated Tax Receipts from SBE (voluntary)*
		SBEs Revenue Growth (voluntary)*
		SBEs Employee Growth (voluntary)*
		SBEs Industry Growth

		\$/% SBE Total Expenditures & per Agency
		# of winning SBEs (Direct & Subcontractor)
Education	# of training sessions	Learning on specific topics (before & after measurements)
	# of training hours	
	# of participants	Process completion (if training targeting specific steps - registration, etc.)
	# of locations/cities (if in-person)	
	Participant's demographics:	
	• LGTBQ+	
	• Minority/POC	
	Asian	
	Other Pacific Islander	
	Native American	
	African-American/Black	
	Hispanic or Latino	
	• Women	
	• Veteran	
	• Rural	
	• Disaster	
	• Disabled	
Outreach	# of events	# of registered SBEs (associated with events)
	# of events with underserved business groups (Intentionality)	# of registered MBEs (associated with events)
	# of agency attendees	# of winning SBEs (associated with events)
		\$ of winning SBEs (associated with events)
Stakeholder Engagement (External)	# of partnerships/sponsorships	# of press coverage (positive/negative)
	# of community-based organization partnerships	# of registered SBEs (referred from external stakeholders)
	# of ethnic-based organization partnerships	# of winning SBEs (referred from external stakeholders)
	# of small business technical assistance provider partnerships (procurement focused)	\$ of winning SBEs (referred from external stakeholders)
	# of chamber partnerships	
	# of board of appointments	
	# of state, local, and federal partnerships (i.e., SBA, DoD, DOT, CalTrans)	
Stakeholder Engagement (Internal)	# of internal newsletter publications/articles	# of agency attendees
	# of ethnic media publications	# of board of appointments
	\$ used for ethnic media publications	# of impressions/hits from ethnic media per publication
	# of presentations/trainings	
Others: Subcontracting	# of SBE subcontractors	\$ awarded to SBE subcontractors
	# of SBE subcontracts to minority contractors	# of SBE subcontractor trades

	# of SBE subcontracts to rural based contractors	
Others:	Prompt Payment terms	SBEs Revenue Growth SBEs
Procurement/Policy	# of SBEs on Prompt-PMT terms	Employee Growth
Process	\$ paid to SBEs on Prompt-PMT terms	# of included SBEs
	Procurement Policy Changes (clauses on bidding, inclusion)	\$ awarded to SBE subcontractors
	Contracting Language Changes (clauses on subcontracting)	# of SBE subcontractor trades
	Bid-Loss due to financial challenges	# of businesses unable to win a bid (i.e., cannot secure a bond)

**CalOSBA is researching mechanisms to enforce data reporting/collection. At this time, the metrics are voluntary by the SBE.*

Collaboration, Education and Outreach

Liaisons shall prioritize collaboration with the community and government. Liaisons are recommended to build in an education and outreach strategy into the action plan that includes leveraging state, federal, and local partnerships such as the California network of small business technical assistance centers, community-based, mission-based, ethnic/minority-based, and LGBTQ2+ organizations to deepen the reach to diverse small businesses in California. Fostering new and strengthening existing relationships may also provide additional avenues and platforms to share information such as releasing forecasts of upcoming bid opportunities and connecting businesses to free or no-to-low-cost counseling and training to qualify for more bids. Furthermore, cross-collaboration and communication provides opportunity to share best practices around breaking down barriers to underserved and underrepresented communities.

The action plan shall include a strategy to integrate agency staff that are directly responsible for procurement for the agency, including units such as business services, administrative, budgets, etc. Connecting staff to leadership goals empowers the staff to be further champions of the action plan and directly affect their day-to-day procurement decisions. Integration may include but are not limited to routine meetings to discuss goals and progress with identified leadership and staff, and a routine report up of the agency's progress. This will further support accountability efforts by the liaison and the agency.

As noted above, California funds a network of small business technical assistance centers in over 30 languages that provide no-cost one-on-one consulting and low-cost training services and programs to small businesses and entrepreneurs. They have expert advisors on hand that can assist with all stages of your business including startup business plans, access to financing, growth, resiliency plans, e-commerce, marketing, and more. In particular, the network has technical assistance centers that prioritize and specialize in procurement. CalOSBA is committed to advocating for and advancing access to resources and will connect the network to the state's liaisons to uplift greater education and outreach to California 4.2 million small businesses.

To further support the adopted action plan, CalOSBA may coordinate a convening with liaisons and the network to cross-share opportunities for partnership and outreach in appropriate regions of the state, including in-language support.

Other examples of related outreach activities include:

- Survey agency's database of vendors to solicit feedback on their experience working with the agency (e.g., communication, access to the liaison, information sharing, technology, accessing bid, applying to bid, awards process, etc.)
- Meet the Primes: Targeted convenings open to the public to allow potential sub-prime competitors to engage and ask questions of prime contractors with active project opportunities.
- "So You're a Certified Small Business– Now What?" A virtual training program for newly certified small businesses to help them plan for contract bidding.

Technology Tools

Following the assessment and survey, liaisons shall include in the action plan a strategy to reduce barriers to access to information and opportunities. Liaisons shall work with their agency's information technology unit to increase the user experience for the small business that enters their agency's website, review and revise content copy to utilize more plain language, and ensure that the agency's small business liaison and advocate's contact information is easily accessible. This may require language translation efforts for content or information that cannot be translated by the agency's website translator tool (i.e., google translate).

Liaisons shall include in the action plan a strategy to create more transparency regarding the agency's procurement process which may include bid opportunities, notices of awards and protest periods, final awards including name of business, dollar amount of award, and indicate whether it is a certified small business. Greater government transparency creates greater trust amongst the small business community and underserved communities.

Processes

Liaisons shall include in the action plan a strategy to qualify more small businesses for bids. For example, strategies may include more flexible experience qualifications on a bid and breaking up big procurement packages. Often a bid includes X number of years of experience to qualify and automatically disqualifies smaller capable bidders. Big procurement packages also make it more difficult for new and small businesses to compete against large vendors.

Liaisons shall include in the action plan a strategy to streamline the bidding process. This may include a two-step process such as an initial short Request for Information (RFI). This would be followed up with a formal Request for Proposal (RFP). Small businesses may have challenges completing a full RFP package when expectations and requirements are not clearly defined. Providing an opportunity to submit an RFI, or a similar first step, grants the small business opportunity to determine if they can successfully bid on an RFP. Furthermore, this will support their time management and capacity.

Liaisons shall include in the action plan a strategy to strengthen communications between all vendors, but especially new and small vendors that are not accustomed to working with the government. Small and newer vendors need more hands-on support to successfully deliver during a bid proposal, and if awarded, during implementation of the contract. Opening greater communication channels allows businesses to raise concerns, ask questions, and receive feedback on their performance. Having poor communication strategies also hinders the agency's ability to pivot or provide feedback during a performance period.

Liaisons shall include in the action plan a strategy to combat slow payment times. Small and new vendors may not have the financial resources to front the cost of a contract and require more flexible and prompt payment terms. Liaisons shall comply with [California's Prompt Payment Act](#), but should also

strategize on processes that will further reduce wait times and/or create pathways to providing partial upfront payment to allow the vendor to start on the contract's scope of work, and ensure vendors are not incurring costs over a period of time.

Liaisons shall include in the action plan a strategy to reduce bias within the agency towards big vendors. Far too often agencies will request a short turnaround time on a project, and therefore requests bids and contracts be expedited. To meet the needs of these types of contracts, it usually is in the favor of big vendors who have the financial and human resource capacity to qualify and execute. This may include developing process workflows that the agency will adopt that develops timelines that support greater access to bids by small and new businesses.

Assembly Bill 2019 Requirements

In addition to the above, in order to facilitate the participation of small business, including microbusiness, in the provision of goods, information technology, and services to the state, and in the construction, including alteration, demolition, repair, or improvement, of state facilities, the directors of the department and other state agencies that enter those contracts, each within their respective areas of responsibility, shall do all of the following:

(a) Establish a minimum goal of 25 percent procurement participation for small businesses, including microbusinesses, in the provision of goods, information technology, and services to the state, and in the construction of state facilities.

(b) Provide for small business preference, or nonsmall business preference for bidders that provide for small business and microbusiness subcontractor participation, in the award of contracts for goods, information technology, services, and construction, as follows:

(1) In solicitations where an award is to be made to the lowest responsible bidder meeting specifications, the preference to small business and microbusiness shall be 5 percent of the lowest responsible bidder meeting specifications. The preference to nonsmall business bidders that provide for small business or microbusiness subcontractor participation shall be, up to a maximum of 5 percent of the lowest responsible bidder meeting specifications, determined according to rules and regulations established by the Department of General Services.

(2) In solicitations where an award is to be made to the highest scored bidder based on evaluation factors in addition to price, the preference to small business or microbusiness shall be 5 percent of the highest responsible bidder's total score. The preference to nonsmall business bidders that provide for small business or microbusiness subcontractor participation shall be up to a maximum 5 percent of the highest responsible bidder's total score, determined according to rules and regulations established by the Department of General Services.

(3) The preferences under paragraphs (1) and (2) shall not be awarded to a noncompliant bidder and shall not be used to achieve any applicable minimum requirements.

(4) The preference under paragraph (1) shall not exceed fifty thousand dollars (\$50,000) for any bid, and the combined cost of preferences granted pursuant to paragraph (1) and any other provision of law shall not exceed one hundred thousand dollars (\$100,000). In bids in which the state has reserved the right to make multiple awards, this fifty-thousand-dollar (\$50,000) maximum preference cost shall be applied, to

the extent possible, so as to maximize the dollar participation of small businesses, including microbusinesses, in the contract award.

(c) Give special consideration to small businesses and microbusinesses, by both:

- (1) Reducing the experience required.
- (2) Reducing the level of inventory normally required.

(d) Give special assistance to small businesses and microbusinesses in the preparation and submission of the information requested in Section 14310.

(e) Under the authorization granted in Section 10163 of the Public Contract Code, make awards, whenever feasible, to small business and microbusiness bidders for each project bid upon within their prequalification rating. This may be accomplished by dividing major projects into subprojects so as to allow a small business or microbusiness contractor to qualify to bid on these subprojects.

(f) Make continuous efforts to expand the pool of small businesses and microbusinesses that participate in the department's and other state agencies' contracts by regularly seeking out and identifying small businesses and microbusinesses that have not previously done business with the department or other state agency or that are not regularly used by the department or other state agency, and including those small businesses and microbusinesses in the agency's solicitations.

(g) Small business and microbusiness bidders qualified in accordance with this chapter shall have precedence over nonsmall business bidders in that the application of a bidder preference for which nonsmall business bidders may be eligible under this section or any other provision of law shall not result in the denial of the award to a small business or microbusiness bidder. In the event of a precise tie between the low responsible bid of a bidder meeting specifications of a small business or microbusiness, and the low responsible bid of a bidder meeting the specifications of a disabled veteran-owned small business or microbusiness, the contract shall be awarded to the disabled veteran-owned small business or microbusiness. This provision applies if the small business or microbusiness bidder is the lowest responsible bidder, as well as if the small business or microbusiness bidder is eligible for award as the result of application of the small business and microbusiness bidder preference granted by subdivision (b).

(h) If the directors of the department and other state agencies that enter into those contracts are unable to reach the goals established under subdivision (a) in the year in which the changes made by the act that added this subdivision become operative, the directors of the department and other state agencies may count towards that goal, contracts with firms that would be considered a small business or microbusiness under the amendments made to Section 14837 by the act adding this subdivision. This subdivision shall become operative on January 1, 2019.

Publications

CalOSBA shall publish all adopted economic equity first action plans on its internet website no later than January 30, 2024. CalOSBA shall publish each agency's annual small business procurement numbers (i.e., how many small businesses won bids, total amount of awards to small businesses, and percentage to 25% goal). The annual report prepared by the advocate shall also include details regarding the office's activities to support procurement participation by small businesses, microbusinesses, disabled veteran business enterprises, and businesses owned by women, minorities, or members of the LGBTQ

community that also qualify as a small business, microbusiness, or disabled veteran business enterprise. The report shall also include information on state agency compliance and implementation of “economic equity first” action plans and policies, developed pursuant to Section 11148.5, by state agency liaisons and advocates. Each state agency shall provide information regarding its activities to the advocate upon request.