

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

Fiscal Year 2016/2017	Business Unit 7760	Department Department of General Services	Priority No.
Budget Request Name 7760-005-BCP-BR-GB		Program 6330 - Statewide Support Services	Subprogram 6330046 - Procurement Division

Budget Request Description

Procurement Workload Increase

Budget Request Summary

The Department of General Services, Procurement Division requests six permanent positions without an augmentation to expenditure authority to meet new customer demands within the division. The Procurement Division's workload has increased in the areas of certification and outreach services for Small Business and Disabled Veteran Business Enterprises and catastrophic disaster procurement. The Procurement Division is not requesting an increase in expenditure authority associated with these positions. The hourly rate and the acquisition surcharge will support the costs associated with the requested positions. Consequently, there will be no increase to these fees.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR  SPR      Project No.                      Date:

If proposal affects another department, does other department concur with proposal?  Yes  No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By <i>CCW for JB</i>	Date <i>12/31/15</i>	Reviewed By <i>Thonda E. Barwick</i>	Date <i>12/31/15</i>
Department Director <i>[Signature]</i>	Date <i>12/31/15</i>	Agency Secretary <i>[Signature]</i>	Date <i>1-4-16</i>

Department of Finance Use Only

Additional Review:  Capital Outlay  ITCU  FSCU  OSAE  CALSTARS  Dept. of Technology

BCP Type:  Policy  Workload Budget per Government Code 13308.05

PPBA <i>[Signature]</i>	Date submitted to the Legislature <i>1/2/16</i>
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**Personal Services Details**

Positions	Salary Information			CY	BY	BY+1	BY+2	BY+3	BY+4
	Min	Mid	Max						
VR00 - Various (Eff. 07-01-2016)				0.0	6.0	6.0	6.0	6.0	6.0
<b>Total Positions</b>				<b>0.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>
Salaries and Wages	<b>CY</b>	<b>BY</b>	<b>BY+1</b>	<b>BY+2</b>	<b>BY+3</b>	<b>BY+4</b>			
VR00 - Various (Eff. 07-01-2016)	0	342	342	342	342	342			
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$342</b>	<b>\$342</b>	<b>\$342</b>	<b>\$342</b>	<b>\$342</b>			
Staff Benefits									
5150900 - Staff Benefits - Other	0	178	178	178	178	178			
<b>Total Staff Benefits</b>	<b>\$0</b>	<b>\$178</b>	<b>\$178</b>	<b>\$178</b>	<b>\$178</b>	<b>\$178</b>			
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$520</b>	<b>\$520</b>	<b>\$520</b>	<b>\$520</b>	<b>\$520</b>			

## Analysis of Problem

### A. Budget Request Summary

The Department of General Services (DGS), Procurement Division (PD) requests six permanent positions to meet new customer demands within the division. These positions are requested in two branches:

- The Office of Small Business and Disabled Veteran Business Enterprises Services (OSDS) branch requests four positions to meet its new customer demands.
- The Acquisitions Branch, Contracts and Logistics Response Unit requests two positions to be tasked with developing, maintaining and administering statewide contracts for use prior to and during a catastrophic disaster.

PD's hourly rate, the acquisition surcharge, and the OSDS surcharge will support the costs associated with the requested positions. There will be no negative fiscal impacts to state departments or agencies as a result of this proposal. Without approval of the requested positions, PD will not have the capacity to meet customer needs including increasing small business and disadvantaged community business participation in state contracting, and developing robust contracts to prepare for catastrophic disasters. Additionally, transition of the application process to a new system of record will require more time to process and approve Small Business (SB) and/or Disabled Veteran Business Enterprise (DVBE) certifications and award contracts to these businesses.

### B. Background/History

DGS was established in 1964 through Government Code (GC) §§ 14600, et seq. to "provide centralized services including, but not limited to [...] purchasing. Additionally, it establishes that there is in the department a [...] a procurement officer. The Public Contract Code (§§ 10290, et seq.) further confers state contracting control to the Department allowing the Department to delegate purchasing authority to other departments and state agencies.

GC §§ 14835 - 14847, the Small Business Procurement and Contract Act, authorizes DGS to establish a small business contracting program, establish goals for state agencies, implement a small business preference program and establishes the SB/DVBE Option for awarding contracts exclusively to SBs or DVBEs. GC § 11139 authorizes DGS to report state contracts done with minority businesses or businesses from disadvantaged communities. Military and Veterans Code (MVC) § 999 – 999.13 establishes California Disabled Veteran Business Enterprise Program and authorizes DGS' OSDS with administering the program.

The Emergency Services Act (GC § 8550 et seq.) is the primary authority for state emergency response. Under the Emergency Services Act (§ 8567), the Governor may proclaim a state of emergency in areas of disaster caused by fire, flood, epidemic, drought, or similar conditions (including air pollution, riot, severe energy shortage, earthquake, prediction of earthquake or volcanic eruption, plant or animal infestation.) (See § 8558).

### OSDS: Certification and Compliance Unit

OSDS Certification and Compliance Unit is the only State of California office responsible for certifying SBs, DVBEs, Non-profit Veteran Services Agencies, and recognizing non-profits so they can compete and participate in approximately \$8 to 9 billion in annual state contracting. The unit maintains the SB/DVBE certification database, which includes 25,649 certified entities as of June 30, 2015. This represents a 23 percent increase since 2010, and a 16 percent increase since 2014. The SB/DVBE program has been steadily growing and is expected to grow in future years due to outreach efforts by OSDS, California Department of Veterans Affairs (CalVet), and DGS's own strategic goal to increase the number of certified firms<sup>1</sup>. In addition, programmatic growth will be fueled by the Legislature's increased interest (four bills proposed in current legislative session impact the program) in the program due to the *2013 DVBE Program Audit*<sup>2</sup>.

<sup>1</sup> 2014-15 Disabled Veteran Business Enterprise (DVBE) Program Annual Report

<sup>2</sup> State Audit Report 2013-115 DVBE Program Summary can be retrieved at:  
<https://www.bsa.ca.gov/reports/summary/2013-115>

## Analysis of Problem

Applicants seeking the SB/DVBE certification submit their applications either online or paper applications at the branch. Online applications represent approximately 70 percent of all applications received in one year. Applicants who use the online process may receive certification within 30 minutes to 4 hours, assuming no system glitches or problems. A typical paper application review takes between 5 and 20 working days depending on the complexity. The majority of paper applications are DVBE applications that require a more stringent review per MVC §§ 999 et seq. Online applications that are incomplete or encounter system limitations are redirected to staff and converted to paper applications. OSDS issues certification periods for one to two years, depending on the type of certification application.

In 2012, Certification staff reviewed approximately 6,300 paper applications and conducted 440 SB/DVBE compliance reviews. In 2014, OSDS granted two-year certification extensions to 17,500 firms in anticipation of increased workload due to FI\$Cal implementation in July 2015. OSDS will grant additional extensions (based on the maximum statutory extension allowed) to 7,800 certified firms expiring in the first six months of 2016 to accommodate the FI\$Cal project Go Live date, scheduled for December 2015. However, OSDS will need to recertify firms already granted extensions in fiscal year 2015-16, along with 7,200 certifications anticipated in fiscal year 2016-17. To meet the increased demands for SB and DVBE certification, PD proposes the additional positions. The OSDS Certification unit currently has a total of 17.0 staff comprised of 12.0 certification officers, 2.0 specialists and 3.0 support staff. To address the projected workload increases, the OSDS Certification unit requests 2.0 additional staff, representing a twelve percent increase to existing staffing levels due to the anticipated increase in in-house renewal applications for certification (*see Workload Measures table*).

### **OSDS: Communications and Outreach (C&O) Section**

C&O Section is mandated by GC §§ 14838-14847 to administer the state's SB/DVBE certification program, and is responsible for advocacy, planning, organizing, directing, and facilitating outreach to the public to level the playing field in state government contracting opportunities. MVC § 999 (DVBE Participation Program) and Public Contract Code § 10115 established legislative mandates within state contracting to meet or exceed a three percent DVBE contracting goal statewide. Executive Orders (EO) S-02-06 requires the state to conduct five collaboration conferences each year in addition to meeting or exceeding the state's contracting goal of 25 percent participation with certified SBs. EO D-43-01 requires the state to have a DVBE outreach program to promote and educate the DVBE community on the state's certification program and contracting opportunities for DVBE suppliers. Additionally, C&O is required to provide advocate training to over 125 state department advocates. California state agencies and departments are mandated by law to appoint a single point of contact to act as both the SB and DVBE Advocate. The Advocate's responsibility is to promote and implement program requirements to assist their department with providing purchasing and contracting opportunities within the SB and DVBE business communities.

The C&O provides education, training, and support to all relevant stakeholders in an effort to deliver information about the state's SB, DVBE certification programs, and state contracting opportunities. Each year C&O participates in approximately 180 SB/DVBE outreach events, legislative invitation events, and develops new partnerships with at least five SB/DVBE organizations. C&O assists state agencies that have failed to meet SB/DVBE contract goals of 25 percent of contracts with certified SBs and three percent of contracts with DVBEs. C&O has developed and implemented a new statewide training program to provide tools and best practices to assist departments with meeting the state's contracting goals for certified SBs and DVBEs. New partners have requested workshops, event collaboration, and matchmaking with businesses resulting in a need for 30 new outreach events. In 2013, the State Auditor conducted an audit of the DVBE Program at the request of senators Hueso and Correa. The State Audit "Report 2013-115 - February 2014" recommended that the Legislature enact legislation aimed at increasing the number of DVBEs that contract with the state.<sup>3</sup> As a result, during the current legislative session there were at least four proposed bills affecting different aspects of both the SB and DVBE programs, with a unified goal of increasing their participation in the state contracting.

<sup>3</sup> State Audit Report 2013-115 DVBE Program Summary can be retrieved at: <https://www.bsa.ca.gov/reports/summary/2013-115>

## Analysis of Problem

In early 2015, C&O entered into interagency agreements with CalVet and California High Speed Rail Authority (CHSRA). With CalVet, C&O will provide education, aid, and a minimum of six training workshops annually to prospective DVBE firms about doing business with the state. For CHSRA, C&O will conduct 50 workshops annually for new SB certifications in the central, southern, and northern regions. C&O projects a 30 percent increase in outreach events and four new strategic partners due to newly formed relationships with its external strategic partners.

C&O continually receives requests for additional workshops, training, and outreach events vital to the state's mission of encouraging SB/DVBE participation in state contracting. Unfortunately due to overwhelming demand and lack of C&O resources, some events have been declined. PD no longer has the capacity within the division to redirect resources to C&O to meet the increased workload demand.

The C&O section currently consists of 10 staff, 6 of which are tasked with performing outreach activities. The C&O section also has a graphic designer, webmaster and a student who all have mission critical responsibilities that are not directly related to outreach. This proposal requests two additional positions to meet the increased demand from other state departments for outreach activities.

### **Acquisitions Branch: Contract and Logistics Response Unit (CRLU)**

In 2009, the Governor's Office of Emergency Services (CalOES) developed the State of California Emergency Plan establishing the California Emergency Functions (CA-EF), which consist of seventeen primary activities deemed essential to address the emergency management needs of communities in all phases of emergency management. At the state level, the Emergency Functions consist of an alliance of state agencies, departments, and other stakeholders with similar discipline-specific responsibilities. The State Emergency Plan assigns a single state agency to lead each CA-EF based on its authorities, resources, and capabilities. The Government Operations Agency is the single lead agency for EF-7, Resources, with primary mission responsibility assigned to DGS. During an emergency response, EF-7 supports and coordinates state-level activities in the mission to protect life and property within California. EF-7 provides emergency procurement assistance and support to other EFs and to the response community.

This request is a result of EF-7 transitioning into its final phase of execution. The EF-7 Annex to the State Emergency Plan has three phases. Phases 1 and 2 established policies and procedures for contracting and acquiring resources and logistic support during a statewide catastrophic disaster. Phase 3 includes establishing pre-scripted, pre-need contracts, facilitating contract support, implementing policy changes, conducting training, and supporting purchasing activities. Exhibit 1 provides detailed development process for EF-7.

The CRLU will need to develop contracts, agreements, and pre-scripted missions for commonly procured items needed during an emergency or prior to an emergency. Additionally, the unit will maintain a policy manual for emergency procurement that helps departments use leveraged procurement agreements for emergencies and expedites the contracting process. To support emergency procurement, the unit will assign staff to assist state agencies with identifying purchasing and contracting vehicles for procurement of emergency goods and services. Currently, PD has awarded three contracts that satisfy these needs - a contract for bottled water, a contract for bulk water (both for the state's drought) and a contract for emergency procurement of food. These contracts and awards were considered one-time projects and competed heavily for resources against PD's current workload for administering existing leveraged contracts.

The PD Acquisitions Branch needs to implement an emergency contracting unit to develop, award and maintain contracts for catastrophic disasters. The new need results from execution of the third phase of the Emergency Function 7 (EF-7) Annex to the State Emergency Plan.

PD requests two new positions to establish a new unit within the Acquisitions Branch. The Acquisitions Branch currently has zero vacancies and no ability to redirect personnel. The need for additional positions correlates to a new workload that is a direct result of PD's role in the State of California's Emergency Plan.

## Analysis of Problem

### C. State Level Considerations

PD is a fee-for-service entity that recovers its costs through a billable hourly rate, the acquisition surcharge, and the OSDS surcharge. PD's existing revenues will cover the entire cost of the positions.

This proposal models the way of excellence in the business of government in that it is forward leaning in anticipation of the business needs of the state. This proposal also aligns with the goals of the department:

- **We Are Customer Centered:** this proposal implements a measurable process to continuously enhance service delivery to make DGS a service provider of choice.
- **We Deliver Efficient and Effective Results:** This proposal reduces costs while maintaining or improving services, and uses data to make informed business decisions and allocate resources.
- **We Work as One Enterprise:** This proposal delivers services and processes from an enterprise perspective while recognizing the distinct functions in the organization.
- **We are a Healthy Organization:** This proposal allows us to be an employer of choice, and actively solicit better ideas and improved ways to do things at DGS.

Further, this proposal aligns with PD's own mission to "deliver innovative procurement solutions enabling our customers to serve the people of California." This proposal will ensure the resources necessary to meet this mission.

### D. Justification

PD requests six positions in two branches to address unmet needs in the areas of SB/DVBE certification and outreach and developing contracts for a catastrophic disaster. Currently, PD is at full capacity and cannot redirect existing staff to new workload required by customer demands. Without this approval, PD will not have adequate staff to meet the statutory program requirements, complete SB/DVBE certifications, and develop pre-scripted contracts for catastrophic disasters as part of the EF-7 phase 3.

#### **OSDS: Certification and Compliance Unit**

The OSDS Certification and Compliance unit requests 2.0 AGPA positions in the SB/DVBE section to evaluate the SB/DVBE certification applications. The additional staff will conduct analysis of certification applications, tax returns, employee forms, legal documents, business-related documents, validation of business information on other state agency websites, and contractual agreements between the applicant and other entities. In addition, the new staff will provide assistance to customers with completing applications over the phone, online and at the public counter. Once trained, the staff will work on certification compliance reviews and assist with research for program abuse, and conduct legislative bill analysis.

OSDS has seen a significant increase in the number of paper applications it has received and expects this to continue. The addition of the two AGPA positions is a relatively low-cost, high impact solution to prevent a bottleneck in the certification program due to setbacks and increased workload demand (surge in paper applications, phone call/email/public counter assistance) resulting from the upcoming transition to a new system of record, workload build-up due to expiration of 17,500 certification extensions starting with July 2016, and continuous programmatic growth resulting from intensified outreach and providing off-site certification at designated events.

OSDS is employing several efforts to meet its operational goals including continuous process improvement, streamlining applications in the new certification system, reviewing past metrics and identifying gaps in data measuring performance. Current workload coupled with the necessary involvement of certification staff to FI\$Cal activities exceed its ability to meet existing demands. As a result, the certification backlog has been steadily increasing, reaching 25 days in June 2015, a trend that will continue as FI\$Cal activities intensify.

If this request is not approved, OSDS expects the following will occur:

- Increase in certification backlog (120+ days), potential for complaints/newspaper headlines from firms seeking to work with the state

## Analysis of Problem

- Cost with overtime in excess of \$40,000 per month (level occurred in 2009)
- Negative impacts on perception regarding FI\$Cal implementation.

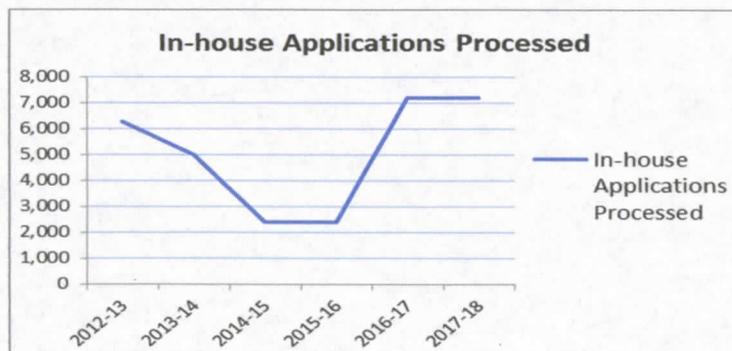
The table below illustrates the anticipated increase in certification workload in FY 2016-17 and onwards due to an anticipated increase in in-house applications and phone call inquiries. The reduced number of applications in 2013-14 and 2014-15 was caused by the 17,500 extensions granted to accommodate transitioning to FI\$Cal and certification staff being heavily involved with FI\$Cal-related activities such as developing the business requirements, scenarios, scripts, testing applications and reporting, training, updating manuals and materials.

Workload Measures	Typical Year	FI\$Cal Impacted		CY	BY	By+1
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
In-house Applications Processed	6,270	4,973	2,369	2,400	7,200	7,200
Expedited in-house applications processed	563	535	218	220	720	720
Compliance reviews conducted	440	254	326	330	500	550
Paper applications completed in <30 days	70%	80%	68%	68%	70%	80%
Phone call inquiries	17,040	18,348	12,171	18,000	20,000	20,000

Source: OSDS Baseline Project, Weekly Workload Reports, Help Desk tracking, CenturyLink Phone System Reports

The program is faced with mass renewals resulting from the expiration of 17,500 extensions granted in 2014 and natural programmatic increase that occurred over the past five years. OSDS expects, on average, 1,050 certifications (including extensions) will expire every month starting in July 2016. Assuming that only 80 percent of these firms will apply for recertification, OSDS projects it will receive an average of 840 recertification applications plus 350 new applications, for a total of 1,200 applications per month (7,200 per year). Another immediate effect of changing to the new system will be a spike in the number of firms that will contact OSDS with questions related to the functionality of the new system. In 2009, when BidSync was implemented, the number of phone calls increased 41 percent. In 2010, OSDS added an Automatic Call Distribution (ACD) system that allows for an increase in number of calls received. In 2014, OSDS received 40,425 calls into the ACD system. OSDS expects that the number of calls will spike during the FI\$Cal implementation. The help desk email inbox experienced a considerable backlog with approximately 100–150 emails/day.

Transition to a new system will trigger an increase in paper application submittals. In a typical month, 30 percent of applications are submitted in paper format to be reviewed by ten certification officers. During the 2009 BidSync implementation, paper application submittals increased three times, and the resulting increase in workload included a 120-day backlog in paper applications, a 6 month backlog in online applications, and overtime of approximately 300 hours per month for 13 months at a cost of \$40,000. PD expects a similar increase in the number of paper application received during the upcoming transition to a new system of record as the volume SB and DVBE certified firms is now 47 percent higher in 2015 than it was in 2009. OSDS conservatively assumes that paper submittals will increase to 50 percent of total applications received. The low-end projection of paper submittals expected in-house starting in July 2016 is 600 per month, totaling 7,200 applications per year, at least 15 percent higher volume than in a typical year (6,300 in 2012-13).



### OSDS: Communications and Outreach (C&O)

The OSDS Communication and Outreach unit requests authority for one Staff Services Analyst and one Office Technician in the C&O Section for SB/DVBE outreach, training, education services and maintaining a statewide

## Analysis of Problem

advocate database and various reports and spreadsheets. The new staff will plan and facilitate the DGS Small Business Advisory Council Meetings, research, gather and analyze external customer requests, independently conduct presentations, and answer customer calls. Additional staff is necessary to address the growing demand for outreach activities.

In early 2015, C&O entered into interagency agreements with CalVet and California High Speed Rail Authority (CHSRA). With CalVet, C&O will provide education, aid, and a minimum of six training workshops annually to prospective DVBE firms about doing business with the state. For CHSRA, C&O will conduct 50 workshops annually for new SB certifications in the central, southern, and northern regions. C&O projects a 30 percent increase in outreach events and four new strategic partners due to newly formed relationships with its external strategic partners. Due to the demand for a 30 percent increase in outreach activities, C&O needs these additional positions to accomplish the Division's and the Department's mission to provide outreach services that will ultimately promote more state government contracting opportunities and further stimulate California's economic growth.

### **Acquisitions Branch: Contract and Logistics Response Unit**

Acquisitions Branch, CRLU, requests one Staff Services Manager I (SSM I) and one Associate Materials Analyst (AMA) to be tasked with developing, maintaining and administering statewide contracts for use prior to and during a catastrophic disaster. The manager position will develop the most complex contracts required during catastrophic disasters, and oversee and lead the development of training materials by PD's Contracting Academy in coordination with CalOES. The requested analyst position will evaluate and analyze complex contract policies, monitor contract usage and establish acquisition standards, including developing alternate contracting methods, to meet the unique needs of a disaster.

This request is a result of EF-7 transitioning into its final phase of execution. The EF-7 Annex to the State Emergency Plan has three phases. Phases 1 and 2 established policies and procedures for contracting and acquiring resources and logistic support during a statewide catastrophic disaster. Phase 3 includes establishing pre-scripted, pre-need contracts, facilitating contract support, implementing policy changes, conducting training, and supporting purchasing activities. The PD Acquisitions Branch needs to implement an emergency contracting unit to develop, award and maintain contracts for catastrophic disasters. The new need results from execution of the third phase of the Emergency Function 7 (EF-7) Annex to the State Emergency Plan. CRLU requests two new positions to establish a new unit within the Acquisitions Branch to meet PD's role in the State of California's Emergency Plan.

### **E. Outcomes and Accountability**

Approval of this proposal will allow PD to meet growing customer demands, including outreach and certification for SB/DVBEs and state contract analytics in support of diversifying the state contractor pool. Additionally, it will allow PD to meet the emerging needs of CalOES and FEMA to have robust contracts in place for handling catastrophic disasters prior to a disaster event. PD will be able to develop, structure and award complex contracts before the contracts are needed so the contracts can be used immediately upon a disaster, not weeks into a disaster.

Expected outcomes include:

- DGS/PD has prioritized outreach events and certification to meet the needs of SB/DVBEs and their ability to participate in state contracting. The State's Consolidated Annual Report will be used, in addition to other analytics (workshop/event attendance, reporting of SB/DVBE use), to confirm that the programs are benefitting from the increase in staff. Additionally, certification times will be monitored through both the electronic and paper application processes to assure that certifications are being conducted in acceptable times and prevent creating a bottleneck in the certification program.
- DGS/CLRU will be able to produce four to eight statewide leveraged contracts per year, as well as administer all existing contracts currently under the unit. All contracting activity will be captured as part of

## Analysis of Problem

Wave 2 FISCAL, and will be coordinated with CalOES. DGS will report on contracting activities to CalOES and other stakeholder departments monthly during the EF-7 Acquisitions working group meetings.

### F. Analysis of All Feasible Alternatives

DGS PD has fully deployed all its personnel and cannot redirect for these unit assignments. Additionally, the workload and specialization of several of the proposed positions is too complex for rotating employees through to conduct ad hoc work. In order to accomplish robust and sustainable programs, the division needs dedicated staff with exceptional training and familiarity with the program unit and program unit needs. This proposal requests an increase in positions only as PD will absorb costs.

#### Alternative 1:

Approve an increase in position authority for six permanent positions. This is a net zero proposal. PD's existing hourly rate and the acquisition surcharge will support the costs associated with the requested positions, so there will be no increase to these fees.

#### Pros:

- No new costs
- The Department will be able to meet the phase 3 needs of EF-7 and the State Emergency Plan and establish a catastrophic disaster unit
- Developing robust pre-disaster contracts and training first responders how to use them can improve the chances to save lives and property
- Staff employed will be full time specialists in the field and train outside agencies
- High impact-low cost solution to prevent creating a bottleneck in the certification program
- Furthers DGS's goals of timely services to support SBs, DVBEs, and assisting customers departments meeting their state mandated SB/DVBE participation goals
- PD will have the resources to support the two newly developed training plans (1) for state agencies and (1) for the SB/DVBE supplier community

#### Cons:

- Will result in growth in state workforce
- No guaranteed use of these contracts

#### Alternative 2:

Status Quo: Do not approve this request to meet the increased needs of DGS/PD customers and continue with the current staffing levels and operating procedures.

#### Pros:

- No growth to state workforce
- No new costs

#### Cons:

- Not a robust solution
- When engaged, productivity will be lower than with the preferred solution as employees receive minimal training and DGS' role is reactionary to customer needs.
- Comprehensive, complex contracts that the state could initiate prior to a disaster will not be available. For example, the cross-dock contract to meet Ground Movement Mission Capabilities will take months to put together.
- The state will require a greater reliance on FEMA
- No development of special business development reports
- The state will not have adequate staff to meet statutory program requirements
- No assistance with responses to complex customer inquiries

### G. Implementation Plan

PD will begin the recruitment process upon approval of this proposal, effective July 1, 2016. As PD fills the positions, newly appointed staff will receive training on their specific programs and job duties administered by PD and specific to the unit.

**H. Supplemental Information**

N/A

**I. Recommendation**

Alternative 1 – Approve an increase in position authority for six permanent positions in 2016-17. This adjustment will provide adequate resources to meet increasing customer demands. This proposal will also ensure the resources necessary to meet the expanding needs of SBs/DVBEs certification and outreach, help address increased workload demands stemming from FISCAL implementation, EF-7 mission tasks and develop strategically sourced contracting prior to a catastrophic disaster. This proposal is net-zero and there will be no increases in fees to cover expenditures.