



2020 West El Camino Avenue, Suite 800
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Hospital Supplier Diversity Commission (HSDC)

Draft Meeting Minutes

September 20, 2022

Members Attending: Lupe Alonzo-Diaz, Physicians for a Healthy California; Jennie E. Kim, Providence St. Joseph's; Baljeet Sangha, San Francisco Health Network, San Francisco Department of Public Health; Tracy Stanhoff, AD PRO, American Indian Chamber of Commerce of CA; Ruksana Azhu Valappil, NEEV, Inc.; Theresa A. Martinez, Community Connections, LLC; Jackson Dalton, Black box Safety, Inc.; Tara Lynn Gray, CA Office of Small Business Advocate

Members not in attendance: Cameron M. Stewart, Alcam Medical; Cecil Plummer, Western Regional Minority Supplier Development Council; Lilly Rocha, Latino Restaurant Association

Presenters: Michael Valle, HCAI Chief Information Officer & Deputy Director

Public Attendance: 36

Agenda Item # 1 Welcome and Meeting Minutes

Lupe Alonzo-Diaz, Commission Chair, welcomed everyone to the Hospital Supplier Diversity Commission meeting. She reviewed the meeting ground rules, agenda and September 20 meeting minutes. She also led a vote to approve the meeting minutes:

Motion made by: Commissioner Jackson Dalton

Motion seconded by: Commissioner Jennie Kim

Final recommendation vote passed with a vote with 8 Ayes and 0 Nays.

The meeting minutes were approved. There were no comments from commission members or members of the public.

Agenda Item # 2 Recommendations Development Process

Chairwoman Alonzo-Diaz provided a high-level review of the recommendation's development process including preliminary discussions and the draft of recommendations coordinated by HCAI program staff and the Chair. She also reviewed the voting process and the use of Robert's Rules of Order.



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Questions/Comments from the Commission:

There were no questions or comments from the commission.

There were no comments from members of the public.

Agenda Item # 3 Finalize Recommendations

Chairwoman Alonzo-Diaz facilitated the discussion to vote and finalize the remaining recommendations. She noted that the process to develop the proposed draft regulations included HCAI staff summarizing commission member recommendations that were made in prior meetings and working with the chair to craft draft recommendations that were presented to commission members. Commission members had an opportunity to review the draft recommendations and provide suggested amendments, which were captured on the slides presented at the meeting. Each recommendation was reviewed separately, and Robert's Rules of Order were followed for the vote on each recommendation.

In the minutes, the "track changes" reflected the updates based on Commission discussion, which led to the final approved recommendation. Red text represents changes, with "strikethrough" representing deletions.

R 15 Proposed Recommendation: For GPOs: Implement a rating system or scale to measure manufacturer's level of procurement with Tier II diverse suppliers.

Summary of Commission's Discussion on R 15: The commission discussed that GPOs don't do the contracting themselves and are rather a pass through, the GPO, however, could develop and implement policies to document and mitigate internal criteria that may limit or prevent diverse suppliers' ability to compete for these bids. The Commission also noted that distributors are missing from the equation they are a key part of the ecosystem. Important to include reference to procurement. Lastly the commission recognized that while GPOs don't do procurement themselves, they need to be doing outreach and providing technical assistance. The commission identified that this one recommendation was not sufficient in capturing the full scope of recommendations for GPOs and added in R 24 and 25.



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R 15 Final Recommendation: For GPOs: Implement a rating system or scale to measure manufacturers', **and distributors**, level of procurement with Tier II diverse suppliers.

Motion: Tracy Stanhoff

Second: Theresa Martinez

Final recommendation vote passed with a vote with 5 Ayes, 1 Nay and 1 Abstention.

Summary of Commission's Discussion on R 24: The commission proposed R24 as a new recommendation to capture other ways GPOs can support increasing procurement with diverse businesses within the hospital industry. Members discussed whether or not to include the term of "procurement" as a GPOs role is as an intermediary. Instead, the commission discussed GPOs are able to support diverse suppliers' access to competitively bid through outreach and technical assistance. The commission then discussed GPOs ability to support through implementing processes and policies. Members agreed to include language that more accurately reflected of a GPOs role finalizing R24 as such.

R 24 Final Recommendation: GPOs, manufacturers, and distributors to develop and implement processes and policies to support diverse suppliers' ability to competitively respond to procurement opportunities; as well as provide technical assistance and outreach for the competitive procurement processes.

Motion: Jackson Dalton

Second: Tara Lynn Gray

Final recommendation vote passed with a vote with 6 Ayes, 0 Nays and 1 Abstention.

Summary of Commission's Discussion on R 25: The Commission also added in R25 as a new recommendation and discussed the importance of GPOs tracking the number of diverse suppliers. The Commission agreed that including language related to the associated contracted value would be critical to measuring of success of the program. Members reiterated that GPOs are not actually procuring but serve as intermediaries. Lastly, members agreed that that the recommendation should specify that the publishing of unique diverse suppliers should happen on an annual basis.



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R 25 Final Recommendation: GPOs should track and publish the number of unique diverse suppliers and the associated contracted value that is available through the GPO on an annual basis.

Summary of Public Comment: The first commentor noted that enforceability and gaining compliance from GPOs, manufacturers, and distributors may be challenging. Another commentor agreed with the commission's discussions clarifying that GPOs do not actually procure but rather negotiate contracts.

Motion: Tracy Stanhoff

Second: Tara Lynn Gray

Final recommendation vote passed with a vote with 6 Ayes, 0 Nays and 1 Abstention.

R 16 Proposed Recommendation: For Diverse Suppliers: Leverage ethnic chambers of commerce to receive information related to procurement opportunities.

Summary of Commission's Discussion on R 16: Members discussed that the recommendation needed to more clearly define the language to reflect the intent. Members agreed the term "ethnic" was too narrow and instead agreed "diverse" was a more appropriate term to reflect the broader nature of the intended recommendation. Members also agreed that "partner" more accurately represents the intended actions to be taken for this recommendation. The commission discussed broadening the purpose of those partnerships and agreed to language changes to the recommendation that included more providers and specified that competitive bid opportunities would be among the desired outcomes. The commission then discussed the certification of suppliers and agreed to the addition of R 26 further discussed below.

R 16 Final Recommendation: ~~For Diverse Suppliers: Leverage Partner with ethnic diverse~~ chambers of commerce, ~~technical assistance providers and certification bodies specifically supply chain focused~~ to receive information related to procurement ~~and competitive bid~~ opportunities

Motion: Tracy Stanhoff

Second: Theresa Martinez

Final recommendation vote passed with a vote with 7 Ayes and 0 Nays.



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Summary of Commission's Discussion on R 26: Members created a new recommendation focused on the importance of working with authorized certification bodies for diverse suppliers to get certified. Lastly, the commission discussed the impact of requiring certification in order to count qualifying spend and agreed to prevent preclusion from opportunities, suppliers may go through the whole contract process but would not be able to count the spend until certified as a diverse business.

R 26 Final Recommendation: Require diverse suppliers to get their certification through an authorized certification body prior to contract award.

Motion: Tracy Stanhoff

Second: Theresa Martinez

Final recommendation vote passed with a vote with 7 Ayes and 0 Nays.

R 17 Proposed Recommendation: For Associations and/or Chambers: Create a database of MBE, WBE, DVBE, LGBTQBE businesses to be used by hospitals to identify local and statewide diverse suppliers to meet their procurement needs.

Summary of Commission's Discussion on R 17: Members discussed privacy of databases regarding government grants and contracts, leading to the addition of language to reflect that an alternative could be a database that can be an organization's source for procurement. The commission then discussed adding associations to this recommendation, as not all such organizations are chambers. Members then discussed whether Small Business Entities (SBEs) and Disadvantaged Business Entities (DBEs) should also be included, though determined to not include SBEs and DBEs from the recommendation as those categories are broader than the diverse business enterprise categories specified within the statute.

Summary of Public Comment: Commentor noted that it would be beneficial if hospitals could go to a database organized by HCAI that would allow the identification of diverse suppliers that met the certification and statutory criteria.

R 17 Final Recommendation: For Business Associations and/or Chambers: Create a database of MBE, WBE, DVBE, LGBTQBE businesses to be used by hospitals to identify local and statewide diverse suppliers to meet their procurement needs; **or have a database that can be organization sourced for procurement.**



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Motion: Tracy Stanhoff
Second: Theresa Martinez & Jackson Dalton

Final recommendation vote passed with a vote with 7 Ayes and 0 Nays.

R 18 Proposed Recommendation: For Associations and/or Chambers: Create training materials and webinars that may increase awareness and knowledge on how to compete for hospital RFPs.

Summary of Commission's Discussion on R 18: Members agreed to the suggestion of changing "may increase" to "promote" to support the stronger language the commission agreed on, as well as to the addition of "Business" to specify which associations to which the recommendations pertain. Members then discussed the potential costs associated with developing training materials and resources.

R 18 Final Recommendation: For Business Associations and/or Chambers: Create training materials and webinars that may **promote awareness** and knowledge on how to compete for hospital RFPs.

Motion: Theresa Martinez
Second: Tracy Stanhoff

Final recommendation vote passed with a vote with 7 Ayes and 0 Nays.

Agenda Item # 4 Next Steps

Michael Valle, HCAI Chief Information Officer and Deputy Director, provided a brief presentation on the next steps and the next meeting topics and presented that a special meeting would be scheduled in September to finalize the recommendations.

Questions/Comments from the Commission:

There were no questions or comments from the Commission.

There were no comments from members of the public.

Agenda Item # 5 Public Comment



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The first commentor noted the November 15th, 2022 meeting will be held at the same time as a supplier diversity conference. The second commentor asked when the recommendations would be available for viewing. Chairwoman Alonzo-Diaz responded the draft report of recommendations would be presented at the November meeting.

The meeting adjourned at 12:30pm.