

## MINUTES: Sept. 8, 2022

### Call Meeting to Order at 9:05 a.m.

### Attendees

Board Chair Maria Everett  
Board Vice-Chair Beth Hungate-Noland  
Board Member Greg Holland  
Board Member William Euille  
Board Member Mark Rubin  
Chief Executive Officer, Travis Hill  
Chief Government Affairs Officer, John Daniel  
Chief of Law Enforcement, Tom Kirby  
Chief Retail Operations Officer, Mark Dunham  
Director of Education and Prevention, Katie Crumble  
Attorney General's Office Representative, Elizabeth Myers  
Hearing & Appeals Legal Counsel, Rachel Yates  
Director of HR, John Singleton  
Office of the Attorney General, Jim Flaherty  
Director of Procurement, Melissa Watts  
Legal Liaison, Tonya Hucks-Watkins  
Chief Digital and Brand Officer, Vida Williams  
Chief Administrative Officer, David Alfano  
Deputy Secretary, Chris Curtis  
Executive Assistant, Kathleen LaMotte

### Board members introduced themselves to Dave Alfano, the new Chief Administrative Officer

### Approval of Minutes

Changes were made to the minutes of the July 12, 2022 meeting to clarify the citation regarding the reason for closed session. Board Member Euille moved to accept the minutes as amended, Vice-Chair Hungate-Noland seconded the motion. The motion passed on a roll-call vote of 4 – 0. Board Member Rubin was not present for this vote.

### New Business

#### Approve Recommendations of Real Estate Committee

Board Member Holland moved to accept the REC's recommendations for one Expansion, Store 188 (Virginia Beach), no relocations, and 11 (eleven) renewals, Store 056 (Winchester), 072 (Locust Grove), 311 (Portsmouth), 324 (Stuart), 062 (Fredericksburg), 182 (Richmond), 216 (Franklin), 308 (Henrico), 327 (Blacksburg), 115 (Roanoke), and 289 (Roanoke). Board Member Euille seconded the motion, and the Board adopted the recommendations of the REC on a roll-call vote 4– 0. Board Member Rubin was not present for this vote.

#### Approve two Regulatory Changes

Latonya Hucks-Watkins presented two proposed regulatory amendments.

The ABC was authorized by the General Assembly to create a mixed beverage casino licensee in House Bill 455 in the 2022 Legislative session. Amendments are needed to existing regulations to include an exception to food availability to comply with the new statutory language. This change is exempt per code and per enactment clause in bill

The second proposal is regarding the amount of alcoholic beverages that a person may transport into the Commonwealth. The General Assembly passed a bill allowing three gallons rather than the one gallon previously permitted. Regulations must be revised to reflect the new statutory limitations.

Board Member Euille moved to approve the proposed regulations as presented. Vice-Chair Hungate-Noland seconded the motion, which passed on a roll call vote of 4 – 0. Board Member Rubin was not present for this vote.

### Approve Revised Tuition Assistance

This policy supports the Authority’s strategic goal of investing in our people by providing educational opportunities to our employees. This policy should help to attract and retain talent within our organization. It allows employees to get a GED and increases the tuition reimbursement limits for both undergraduate and post-graduate education.

The policy would allow limits within their educational field, but lessen amounts for those getting degrees outside their job families. HR is looking to communicate this benefit more to make employees aware of it and will push this in stores and meetings with leaders.

In the years 2016 – 2019, 29 employees throughout the Authority took advantage of this benefit. From 2020 – 2022 only 16 employees took advantage of it. For the most part, employees that receive the benefit do not seek positions outside of the Authority.

Board member Holland moved to approve the revised Tuition Assistance policy, Vice-Chair Hungate-Noland seconded the motion. The motion passed on a roll-call vote of 5 – 0.

### Approve Revised Governance and Authority Delegation Policies

Chris Curtis presented early in order to attend a meeting downtown.

The Board considered revisions to the Governance policy and Delegation policy. The Authority’s updated mission is included, as are updates to titles of C-Suite members and their responsibilities.

In the Delegation document, there is added clarity to the definition to some acronyms, and the division names are updated.. Since the Authority is no longer under VITA, a reference was struck. Enforcement was given the authority to waive wine and beer wholesale bonds, and the CROO now has authority for listing and delisting decisions.

The Board asked to change the wording of “must be” to “is” under section B4.

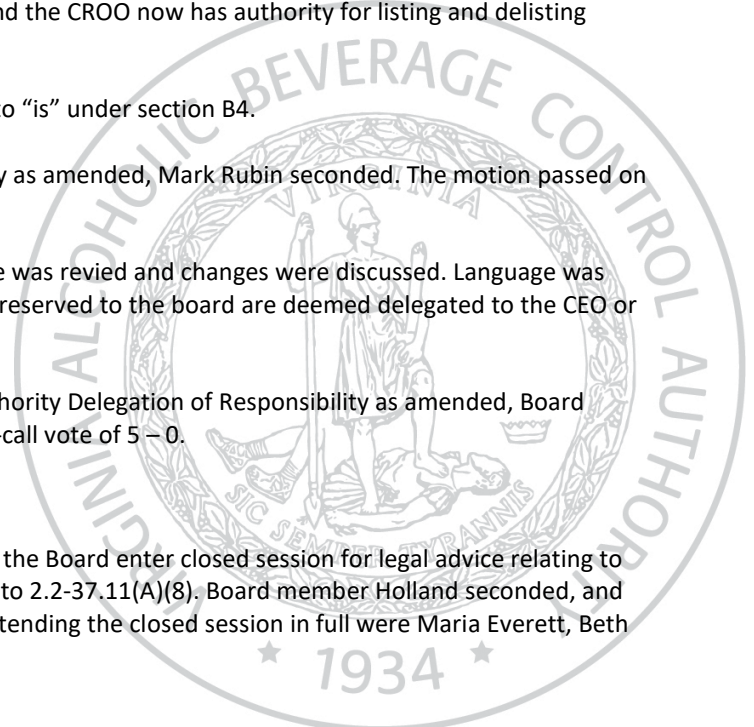
Greg Holland moved to approve the Governance Policy as amended, Mark Rubin seconded. The motion passed on a roll-call vote of 5 – 0.

The Authority Delegation of Responsibilities procedure was revised and changes were discussed. Language was added under Item C that “Those items not specifically reserved to the board are deemed delegated to the CEO or to the designated C-Suite Member”.

Vice Chair Hungate-Noland moved to approve the Authority Delegation of Responsibility as amended, Board Member Euille seconded. The motion passed on a roll-call vote of 5 – 0.

### Closed Session

- At 9:45 p.m., Board Chair Everett moved that the Board enter closed session for legal advice relating to the hearing before the board today pursuant to 2.2-37.11(A)(8). Board member Holland seconded, and the motion passed 5 – 0 on a roll-call vote. Attending the closed session in full were Maria Everett, Beth



Hungate-Noland, Greg Holland, Mark Rubin, William Euille, John Daniel, Jim Flaherty, Travis Hill and Chris Curtis.

- When the Board returned from Closed session at 11:01, Board Vice Chair Hungate-Noland moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but advice from legal counsel pursuant to 2.2-37.11(A)(8), and only public business matters lawfully exempted from open meeting requirements was discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

## Hearing

The Board convened in the Hearing room to hear an appeal from Club Truth VA LLC, Application number 756660. After careful deliberation, Vice-Chair Hungate-Noland moved to uphold the hearing officer decision, Board Member Rubin seconded the motion. The motion passed on a roll-call vote of 5 – 0

## Directors Reports

### Education and Prevention

Katie Crumble, Director of Education and Prevention, reported that:

- The Third party delivery driver training launch is underway. Responsible Alcohol Deliver Driver (RAD) training is hosted on the Commonwealth of Virginia Learning Center (COVLC) training platform. Training programs developed by other parties had to be about an hour long with a score of 80% or above on the test per legislation. In August, updated final number was 273 participants. Average score is 91%, VABC is pleased with that number.
- Virginia ABC has developed free guides for drivers from 3PL Delivery system
- Seller/Server Training Approval Program (STAP) is used to certify other providers, if a company doesn't use ABC training, ABC must approve a training program to use from a certified provider.
- Door dash and Uber Eats offered their employees a stipend to take ABC's training

Board member Rubin asked if this training has resulted in improvement in services. Chief Kirby advised that he is hopeful within the next few weeks to continue engagement with this new class of licensees to help answer that question.

### Procurement

Melissa Watts, Director of Procurement, reported that:

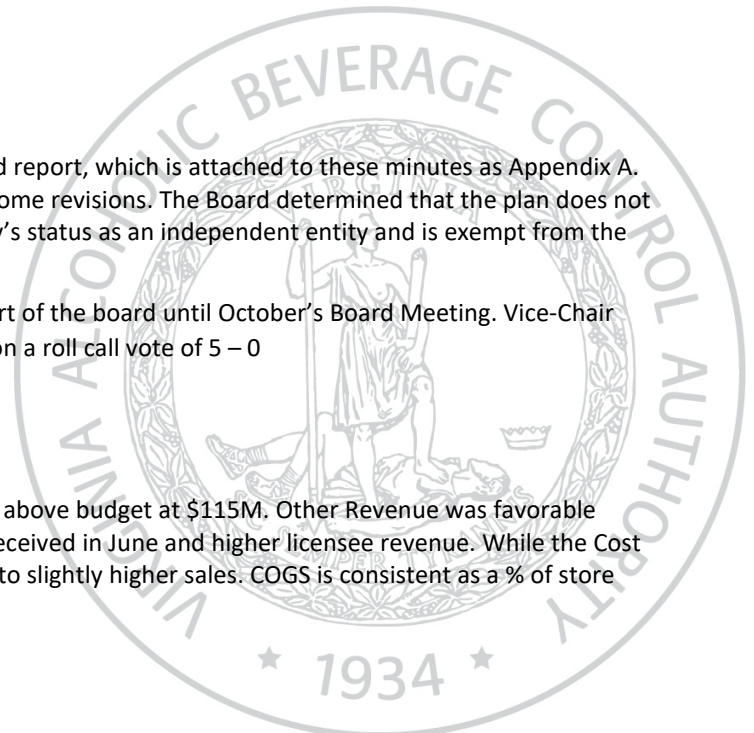
- The Board reviewed SWaM Performance summary and report, which is attached to these minutes as Appendix A. The Board will review the plan again in October with some revisions. The Board determined that the plan does not have to be submitted to the SBSB due to the Authority's status as an independent entity and is exempt from the SBSB review requirement.

Board Member Euille moved to defer action on the part of the board until October's Board Meeting. Vice-Chair Hungate-Noland seconded the motion, and it passed on a roll call vote of 5 – 0

### Finance

Doug Robinson, the Director of Finance, reported that:

- For the month of June vs budget, store sales were .3% above budget at \$115M. Other Revenue was favorable \$2.2M due to \$1.7m in COVID -related FEMA money received in June and higher licensee revenue. While the Cost of Goods Sold (COGS) variance is negative, that is due to slightly higher sales. COGS is consistent as a % of store revenues.



- Variable costs were \$0.2M above budget largely due to increased manual labor services due the startup and transition to the new distribution center and higher outbound freight costs; partially offset by reusable bags previously expensed for store giveaways and recaptured into inventory for customer sales.
- The total Contribution margin was \$2.1M favorable at \$44.6M.
- Fixed administrative costs were below budget by \$0.7M due to lower salaries and benefit costs (\$500k) and lower computer hardware costs (\$200k). Regulatory costs were \$0.7M below budget largely from lower salary and benefit costs (\$700k) due to unfilled budgeted positions.
- Overall, the Authority ended the month \$3.5M favorable at a net profit of \$36.3M, or 10.6% above budget. Please note that this higher profit level includes the budgeted gain on the sale Hermitage Road facilities at \$14.9M.
- For the June fiscal year to date period vs budget, store sales were up by 2.0% at \$1.377 Billion. Other Revenue was favorable \$6.3M due to \$1.7m in Covid -related FEMA money received in June and higher licensee revenue for the year. Net revenue was 2.5% above budget at \$1.190 Billion. While the COGS variance is negative, that is due to higher sales. COGS is consistent as a % of store revenues.
- Variable expenses were higher by \$10.3M due to increased manual labor services (\$3.3M) due the startup and transition to the new distribution center, unfavorable building rentals (\$4.6M) due to unbudgeted short-term operating lease costs, higher wage expenses (\$1.9M), higher telecom costs (\$1.0M) and higher credit card fees (\$1.0M) in line with higher sales and higher outbound freight costs (\$1.0M) due to higher driver and fuel costs; partially offset by lower supply costs (\$1.8M) principally due to reusable bags previously expensed for store giveaways were recaptured into inventory for sale to customers.
- The contribution margin was positive by \$7.4M or 2.3% above budget for a total of \$327.5M.
- Fixed administrative costs were \$18.6M favorable largely from lower salaries and benefits due to unfilled budgeted positions (\$5.9M), favorable telecom costs (\$1.8M), favorable network server software and equipment costs (\$2.0M), favorable skilled services costs (\$1.8M) due to hard to fill IT contract positions, unfulfilled computer software costs (\$1.5M), computer hardware/software maintenance services (\$1.3M), a net favorable year-to-date leave liability adjustment of (\$1.2M), lower training/travel costs due to Covid (\$1.2M) and lower management services (\$1.0M).
- Regulatory costs were \$6.5M favorable principally in salaries and benefits due to vacancies.
- After adjusting for the positive variances in fixed costs, we come up with a net profit of \$243.6M which is \$32.5M above budget, 15.4% ahead of budget.
- For the month of July vs budget, store sales were equal to budget at \$119M. COGS was equal to budget and is at 47.9% as % of store revenues. Variable costs were \$0.8M below budget largely due to favorable, salaries, wages, and benefits due to unfilled budgeted positions, resulting in a favorable increase in the Contribution margin of \$0.5M.
- Fixed administrative costs were below budget by \$1.7M due to lower salaries and benefit costs (\$500k) due to unfilled budgeted positions, lower management services (\$300k) and lower depreciation and interest expense (\$400k) due to the delayed implementation of GASB 96(Subscription-based IT arrangements capitalized). Regulatory costs were \$0.6M below budget largely from lower salary and benefit costs due to unfilled budgeted positions.
- Overall, we ended the month \$2.8M favorable at a net profit of \$19.0M, or 17.3% above budget.

Mark Dunham reported that year over year growth was very high due to COVID, anticipates growth to be much slower going forward. Growth is currently lower than forecasted. Mr. Hill said across the board in the spirits industry it's down about 2.8% volume across control states, impacted by inflation, high gas prices, and a potential recession.

## **New Business, cont.**

[Approve two recommendations of Listings committee](#)

Mr. Shiffer presented two off-period listing considerations, there are two items that are time sensitive.

- Cornus Virginicus wine – this is a promotion of Virginia Wine in to be held in October between Barboursville Wine and the Frist Lady of Virginia. 500 bottles will go to the Governor’s family, 500 will go to the wine board, 240 bottles to Virginia ABC, and 250 bottles to be sold at Barboursville. The wine retails at \$39.99
- This wine was inspired by former Governor McDonnell’s 1813 wine to commemorate the anniversary of the Executive Mansion. That wine was given away as gifts, not sold. ABC worked with the Secretary of Agriculture and Forestry and Enforcement to help them go through the proper channels. ABC is a retail conduit for this program. Want to ensure that the messaging is about Virginia Wine and not a political communication.
- Program will rotate to other wineries in the future.
- WhipShots is a line of vodka-infused whipped cream promoted by the artist Cardi B. This could top specialty cocktails, coffee, hot chocolate and desserts.
- Had conversations with Katie Crumble, packaging is similar to regular whipped cream but clearly calls out that alcohol is included.

Vice-Chair Hungate-Noland moved to approve the two listings presented, Board Member Rubin seconded the motion. The motion passed on a roll call vote of 5 – 0.

## Old Business

### CTO Report

Tracey Lorraine, Director of Change Management reported that:

- Ms. Lorraine presented the CTO report on behalf of Elizabeth Chu, attached to these minutes as Appendix B. Work of the Change Management, Project Management and Diversity Equity and Inclusion Office were discussed.
  - CEO Hill met with Strategy and Analytics and will have updates on Values work and the Authority’s strategic plan at the Board’s November meeting.
- Ms. Lorraine is completing interviews and benchmark research on the employee review process. Will have a strategy session with HR about the future of employee reviews and get alignment across Authority leadership.

### CDBO Report

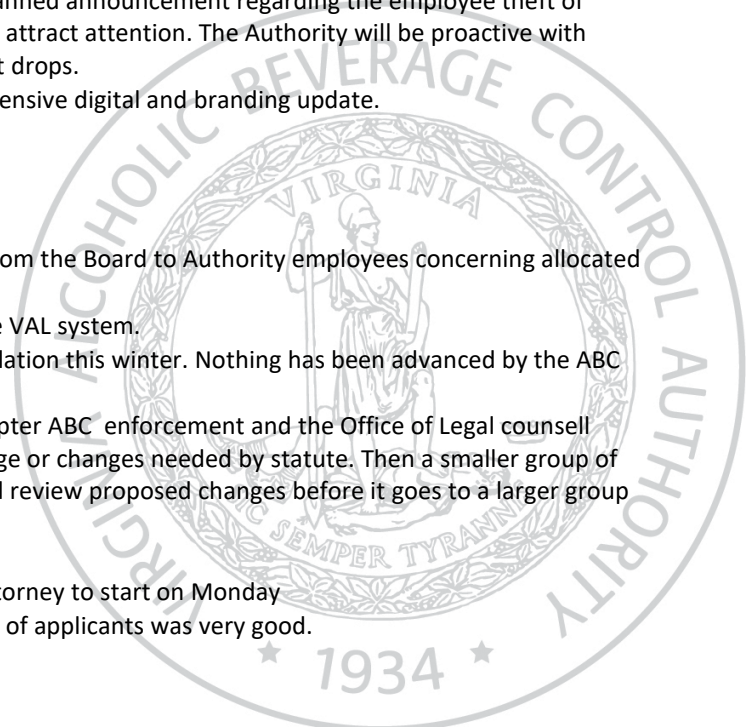
Vida Williams, the Chief Digital and Brand Officer, reported that:

- There are no Press releases of note to report, but a planned announcement regarding the employee theft of bourbon information and allocated products will likely attract attention. The Authority will be proactive with regards to the efforts to reframe the allocated product drops.
- October’s Board meeting will feature a more comprehensive digital and branding update.

### GAO Report

John Daniel, GAO, reported that:

- A FOIA request was received for all communications from the Board to Authority employees concerning allocated products.
- Hearings are a little slow as we continue to perfect the VAL system.
- It doesn’t appear that there will be any Authority legislation this winter. Nothing has been advanced by the ABC this legislative session.
- Regulatory reform efforts are going well, For each chapter ABC enforcement and the Office of Legal counsell meets to evaluate each chapter for antiquated language or changes needed by statute. Then a smaller group of stakeholders meet to add their suggested changes and review proposed changes before it goes to a larger group for their input and review.
- Reviewed reports in the book provided to the Board
- The Authority has hired a contract lawyer/in-house attorney to start on Monday
- The selection for litigation attorney is in process– pool of applicants was very good.



## CLEO Report

Tom Kirby, Chief of Law Enforcement, reported that:

- ABC sent out ten conditional offers to prospective agents. The last couple of recruitment processes yielded only two agents, This will hopefully be a larger recruit class.
- Chief Kirby updated the board on a case previously discussed. a person who was selling alcohol out of his trunk plead guilty in Chesterfield County, but cases are still pending in Richmond.
- Downtown Roanoke has a modified retail licensee to allow consumption of alcohol in public areas such as streets and sidewalks. This Designate Outdoor Refreshment Area (DORA) license, is a retail licensee and are restricted on receiving sponsorship funds from manufacturers or wholesalers of alcoholic beverages. Media coverage may ensue.
- Chief Kirby has attended meetings with officials from the City of Norfolk concerning some licensees in their jurisdiction. The city requested that the Authority send Mixed Beverage Annual Review (MBAR) data to Norfolk police, who used information from the report in taking action against the Conditional Use Permit of a licensee in their jurisdiction. This case has been reported in the media. ABC wants to review all licensees in the area for compliance purposes. A press release was issued by the Norfolk PD that references ABC violations, but fails to mention that MBAR was not an ABC enforcement priority during the pandemic.

The Board is supportive of ABC's approach of assisting the city where possible.

## CROO Report

Mark Dunham, CROO, reported that:

- Retail and licensee sales year-over-year are flat, but numbers are improving coming through September 1. Allocated sales drop may have led to increased retail sales
- Out of stocks hit a new record of 405, though there were conflicts in the data. Industry observers speculate it may be mid to late 2023 for supply chain difficulties to normalize.
- Marketing is looking to re-measure promotions and is meeting with Strategy and Analytics to streamline data and metrics.
- The first new store opening this fiscal year is scheduled for early October in Independence, VA
- Retail Operations has started leadership training with ABC's Learning and Development team.
- Mark Dunham is working with Vida Williams to streamline data collection efforts

## CEO Report

Travis Hill, CEO, reported that:

- The IT Report was included in the Board's packet on behalf of Paul Williams, who was unable to attend this meeting.
- Warehouse online ordering for limited availability products (WOLO LA) is looking to launch in October. This effort will ultimately be used to replace the current product drop approach in the future. There will be a lottery system again.
- An Oracle upgrade is planned that will necessitate an outage running from late Friday September 16 to Sunday September 18. Online ordering and licensee ordering will be down, but there is a manual workaround to complete licensee ordering if necessary.
- ABC's Director of Internal Audit, Nanette Williams, has separated from the Authority to take a position with VSU. The position is posted and hopefully will be filled soon.
- Multiple outages due to point of sale (POS) systems occurred the Friday before Labor Day, stores were down for 15 – 30 minutes.
- The leases signed by the CEO included new stores in Winchester and Great Falls, but otherwise nothing out of the ordinary.

- Regarding the HR report, the bonus information and new hires are a combination of positions approved in June budget and decision packages as part of Governor’s budget.
- Two new distillery stores were launched in Virginia Beach and Luray.
- The Monthly Management Review (MMR) is attached as Exhibit C – Governor Younkin’s administration asked the authority to produce a monthly report. As the MMRs continue, there may be directives for agencies to change things. Some templates were created by the Secretary of Finance and may not be applicable to the Authority. Some information is monthly, some is quarterly.
- Games of Skill – Virginia ABC has recently received some complaints regarding skill games from the Virginia Charitable Gaming Association. Virginia ABC is no longer responsible for the regulation of these games but has held discussions with the Secretary of Public Safety. Virginia State Police and the Office of the Attorney General to provide information gained during our regulatory responsibilities.
- Virginia State Police is in the process of hiring a Games of Skill Analyst, and the ABC will continue to work with the State Police to offer knowledge and insight. While the Authority has no regulatory authority over skill games, we will take administrative action against a licensee if convicted of gambling violations. Partner re: tobacco checks something brought to administration’s attention to apprise them of ABC’s role. There’s not an identified regulator of tobacco outlets.

### Comments from the Board

The Board was reminded of upcoming meeting dates:

October 20, 2022

November 30, 2022

January 11, 2023

### Public Comments

None

### Meeting Adjournment

The meeting adjournment at 2:40 pm.





## Commonwealth of Virginia

FY2023 Annual SWaM Procurement Plan for - Virginia Alcoholic Beverage Control Authority

### 1 Agency Information

1. Agency/Department/Institution Name: **Virginia Alcoholic Beverage Control Authority**  
.....
2. Secretariat: **Public Safety and Homeland Security**  
.....
3. Name of Current Secretary: **Secretary Mosier**  
.....
4. Agency Code: **999**  
.....
5. Agency Head: **Travis G. Hill**  
.....  
Phone Number: **804-213-4402**  
.....  
Email Address: **travis.hill@virginiaabc.com**  
.....
6. Director of Procurement  
Name: **Melissa Watts**  
.....  
Title: **Director of Procurement**  
.....  
Phone Number: **804-325-8520**  
.....  
Email Address: **melissa.watts@virginiaabc.com**  
.....  
Mailing Address: **7450 Freight Way, Mechanicsville, VA 23116**  
.....
7. Purchases and Supply Division Lead Purchaser  
Name: **Monte Dugger**  
.....  
Title: **General Procurement Manager**  
.....  
Phone Number: **804-213-4585**  
.....  
Email Address: **monte.dugger@virginiaabc.com**  
.....  
Mailing Address: **7450 Freight Way, Mechanicsville, VA 23116**  
.....



8. Building and/or Construction Division Procurement Officer (if applicable)

Name:

Title:

Phone Number:

Email Address:

Mailing Address:

9. SWaM Champion and Preferred Contact Information

Name: **Sheri W. Newman**

Title: **Procurement Officer**

Phone Number: **804-213-4427**

Email Address: **sheri.newman@virginiaabc.com**

Mailing Address: **7450 Freight Way, Mechanicsville, VA 23116**

Preferred Contact (select one or more): **Email**

10. Dashboard Users: Identify all new users or users that no longer require access.

**User 1**

Name: **Beau Flinchum**

Email: **steven.flinchum@virginiaabc.com**

Sub/Agency Name: **N/A**

Role/Authority: **Procurement Officer**

Status (Active/Inactive): **Active**

Should This Person be Removed? (Yes/No): **No**

Is This New Person? (Yes/No): **Yes**

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**User 2**

Name: **Jen Schoemmell**

Email: **jennifer.schoemmell@virginiaabc.com**

Sub/Agency Name: **N/A**

Role/Authority: **Assistant Director of Procurement**

Status (Active/Inactive): **Active**

Should This Person be Removed? (Yes/No): **No**

Is This New Person? (Yes/No): **Yes**

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**2 SWAM Goals**

List your FY2023 SWaM expenditure goals for Small, Women-owned and Minority-owned businesses as a percentage of your projected discretionary expenditures. Goals should include your projected sub-contracting expenditures if applicable. FY2022 goals were pre-filled from your FY2022 SWaM plan. FY2022 SWaM expenditures were system-generated from the Expenditure Dashboard.

1. 

Actual vs. Goal - Spend Percentages FY2022										
	MB	WB	Micro	SDV*	SB	ESO	8A	EDWOSB	WOSB	FSDV
Goal	10.00	11.00	2.00	3.00	11.00	1.00	1.00	1.00	1.00	1.00
Actual	9.67	9.12	1.13	0.00	9.79	0.00	0.00	0.00	0.00	0.00

Projected Goal - Spend Percentages FY2023										
	MB	WB	Micro	SDV*	SB	ESO	8A	EDWOSB	WOSB	FSDV
Goal	10.00	11.00	2.00	3.00	11.00	1.00	1.00	1.00	1.00	1.00

\*According to § 2.2-4310.2 executive branch agency's goals under § 2.2-4310 for participation by small businesses shall include within the goals a minimum of three percent (3%) participation by service disabled veteran-owned businesses as defined in §§ 2.2-2000.1 and 2.2-4310 when contracting for goods and services.

2. What changes could be made to the Commonwealth SWAM Program that would assist you in meeting your goals? **Virginia ABC is an independent authority and a voluntary participant in the Commonwealth SWaM Program. As such, we are not required to meet the Commonwealth SWaM goal. Virginia ABC continues to advocate for certification in Virginia by reciprocity/the ability to count the spend for businesses that are qualified/certified in other states or that have other valid certifications. We strongly believe that a certification from another state or entity with a valid SWaM-type vetting process demonstrates that these businesses should be eligible for inclusion in our SWaM spend in Virginia. In addition to serving our state procurement needs, it would also provide opportunities for businesses to grow and conduct business in the Commonwealth. There are many qualified/certified businesses that may want to do business with us (or currently do business with us), but we are unable to capture their spend in our SWaM numbers simply because they do not have the Virginia-specific certification. Including this spend would get us closer to meeting the 42% goal. Additionally, Virginia ABC would like to enhance our partnership with SBSB to increase our education on the certification process and the engagement model with SBSB so that we may work**

more effectively together when we come across potential opportunities to get a business certified or renew a businesses existing certification. There may also be times when we would like SBSB's assistance in reaching SWaM businesses and it would be helpful to understand how SBSB can play a role in helping to distribute our solicitations so that more SWaM businesses are aware of the procurement opportunities with Virginia ABC.

### 3 Policies and Procedures

1. Please specify the number of procurement personnel you have on staff.

Goods and Services: **14**

Construction: **0**

2. Do you have major construction projects or purchases planned for FY2023?

**No**

Name of the Project/Purchase:

Type:

Anticipated Posting Date:

3. Do you have any professional services purchases planned for FY2023? **No**

Name of the Project/Purchase:

Type:

Anticipated Posting Date:

4. Does your agency set aside the following solicitations for DSBSB certified businesses?

Solicitations under \$10,000: **No**

Solicitations between \$10,000 and \$50,000: **No**

Solicitations between \$50,000 and \$100,000: **No**

If you answered, "NO" to any category, please state why those solicitations are not set aside? **As an independent authority, Virginia ABC is not subject to the VPPA/APSPM, and as such, does not perform traditional set-asides. However, Virginia ABC is a voluntary participant in the Commonwealth SWaM Program and at Virginia ABC's discretion, we reserve the right to award contracts, without competition, up to \$50,000 to SWaM businesses, where appropriate.**

5. Have you visited the "I am a Buyer!" page on <https://www.sbsd.virginia.gov/buyer-page/>? **Yes**

If yes, what additional resources would be helpful on that page? **No additional resources are requested at this time.** .....

6. Who monitors, reviews and enforces your SWaM Program goals and compliance? **The SWaM Administrator (and Backup SWaM Administrator, as needed) and Director of Procurement (and Assistant Director of Procurement, as needed).** .....

7. Does the agency collect the subcontracting payment information manually or electronically from prime contractors? **Yes, Electronically** .....

If yes, how often is subcontracting data collected? **Monthly** .....

Do you use DSBSD's format to record the payments? **Yes** .....

If electronically collected, what system is used? **DSBSD's Expenditure Dashboard** .....

Who are your primary vendors that report subcontract spend? **We collect subcontracting data electronically from CAI, but we do not collect any construction subcontracting data because we do not typically have that category of spend.** .....

8. What is your agency's biggest challenge with collecting and reporting subcontract spend ? **N/A** .....

#### **4 Diversity Training Events**

1. Does your agency hold Open House events for small businesses? **No** .....

If yes, how many in FY2022?

2. Does your agency meet with small businesses one-on-one at your facility to discuss policies and procedures and potential business opportunities? **Yes** .....

If yes, how many in FY2022? **Virginia ABC held at least 5 in-person meetings with SWaM suppliers in FY2022, and we also held several others virtually based on a phased return-to-office approach coming out of the COVID-19 pandemic.** .....

3. Does your agency conduct training events on SWaM and diversity training? **Yes** .....

If yes, how many in FY2022? **3** .....

4. Does your agency attend small business outreach events? **Yes** .....

**5 Assessment**

1. In FY2022, what has been the most time consuming part of administration of the Small Business Initiative from your perspective? (Select one or more) **Finding SWaM firms that are qualified ,Finding SWaM firms that are interested**

Comment on your selection above **Virginia ABC is an independent authority and a voluntary participant in the Commonwealth SWaM Program. Virginia ABC's needs are different from a traditional executive branch agency in that we provide for a retail environment and have recently completed a relocation of our Headquarters and Distribution Center (Warehouse). As such, we have many specialty needs for goods/services and we have many proprietary systems that SWaM businesses simply can't supply or support, so it can often be challenging to find qualified SWaM firms to deliver what is needed for the Authority. We have also found that once some SWaM businesses submit a bid/proposal response a couple of times and do not receive an award, they are less interested in submitting future bid/proposal responses due to the amount of time, effort, and money that is required for submission. There could also be some confusion amongst SWaM businesses when submitting a bid response that they do not always have to provide a response to all elements of the bid – they can provide a response to the elements which they are capable of providing – so this may cause a SWaM business owner to lose interest in submitting a response. For example, if we post a solicitation for six widgets and a SWaM business is interested in responding but can only provide three of the widgets, some business owners may think that they can't provide a response at all if they can't provide all six of the widgets.**

2. Do you have recommendations on ways the Commonwealth could improve SWaM business participation in agency procurement opportunities?

**Virginia ABC is an independent authority and a voluntary participant in the Commonwealth SWaM Program. In accordance with DSBSD's objectives to partner with and support SWaM businesses, it would be helpful for DSBSD to continue educating businesses about Commonwealth procurement practices and SWaM certification opportunities. It would also be helpful to receive assistance with identifying SWaM-eligible businesses that are not yet certified, but that are qualified to provide the needed goods/services required by the Authority - and then assisting us with getting those businesses certified.**

3. In FY2022, what has your agency done to improve expenditure opportunities for SWaM businesses? **Virginia ABC is an independent authority and a voluntary participant in the Commonwealth SWaM Program. Virginia ABC continues to provide SWaM training to our**

end users and publish the “SWaM Supplier Spotlight” where we highlight a SWaM business utilized by the Authority on our external website, social media sites, and internal SharePoint site. Despite the COVID-19 pandemic, the Authority continued to participate in SWaM events, trade shows, etc. whenever feasible to expand our relationships with SWaM businesses. We presented our annual SWaM Procurement Plan to the Board and we also have a SWaM-specific KPI that is reported to the Board and the Administration on a monthly basis.

4. In FY2022, did you contact the Department of Small Business and Supplier Diversity(DSBSD) for assistance with completing the chart for all categories in terms of frequency?

Initial certification? **No**

If yes, how often?

Renewal for a firm? **No**

If yes, how often?

Searches for businesses? **Yes**

If yes, how often? **8**

Distribution of your solicitation notices? **No**

If yes, how often?

5. How frequently do the Agency Director and Procurement Officer (or designated SWaM Champion) meet to discuss the SWaM goals, progress, challenges, and support in achieving stated goals? **Monthly**

6. In FY2022, what was one of your agency's accomplishments in the SWAM Program you feel best demonstrates your agency's efforts? **Virginia ABC is not an executive branch agency and participates in the Commonwealth SWaM Program voluntarily. As an independent authority that elects to participate in the SWaM Program, we believe that the overall achievement of 29.71% SWaM spend is an accomplishment for FY2022. As described above, our needs are unique and finding qualified SWaM businesses that can meet our business needs is often challenging. We have continually remained near or above the Commonwealth spend percentage, and we performed very well in FY2022 comparative to other agencies within our Secretariat and when looking at agencies/authorities of similar structure/total spend. With the COVID-19 environment shifting and more businesses returning to more of a business-as-usual status, business needs across almost all markets shifted and we saw spend shift as well – this is another reason that we believe that our SWaM performance in FY2022 is an accomplishment.**

7. Are you familiar with the legislation that impacted SBSB? **Yes**

If yes, do you have questions or concerns with your ability to implement those changes? **Not at this time.**  
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8. Do you submit adjustments and subcontracting spend in the Expenditure Dashboard monthly? **Yes**  
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If no, can you explain why you are not submitting adjustments and subcontracting spend monthly?

9. What added functionality would be most helpful to you in the Expenditure Dashboard? **It would be helpful to modify the format of the SWaM Plan to better accommodate non-executive branch agencies. For example, Section 2.1 (SWaM Goals) requires a goal entry for each SWaM designation, with mandatory minimums in some cases, when voluntary participants who are not accountable for meeting the Commonwealth spend goal would prefer to enter their overall organizational spend goal. It would also be helpful to add a calculation to the Commonwealth Spend Report to include the overall SWaM percentage so we do not have to export the report and manually perform this calculation ourselves.**  
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10. Additional Information **While we did not hold any Open House events for SWaM businesses in FY2022, we are looking into planning event(s) for FY2023. This Plan was presented to Virginia ABC's Board for review and approval.**  
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**Completed by :**

*Signature:*

*Date :*

**Approved by :**

*Signature:*

*Date :*

The seal of the Virginia Alcoholic Beverage Control Authority is a circular emblem. It features a central figure of a woman standing on a globe, holding a staff and a shield. The globe is inscribed with the motto "SIC SEMPER TYRANNIS". The woman is surrounded by a wreath. The outer ring of the seal contains the text "VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY" and the year "1934" at the bottom, flanked by two stars.

# CTO September Board Update

## Talking Points

Appendix B





## Priorities and Progress

- Providing growth opportunities for internal *project* managers to grow *program* manager skills
- Hybrid approach for FY23, internal mix with external contractors/consultants
- Improve tracking. Partnering with Finance to allocate program/project budgets in the Finance budgeting system – allows for more transparency and better tracking of spend
- Robust resource planning process underway, in partnership with IT, to staff prioritized programs and projects
- Elizabeth to share in October – **New Dashboard!** Starts @ program level, detailing scope, schedule and budget



### Priorities and Progress– lots of great start-up work in motion!

- DEI Practitioner Position (Interviewing process begins)
- ERG Framework complete (Veterans & Women's group sponsors identified)
- Initial DEI training plan developed
- DEI Council Roles, Responsibilities, Expectations, & Application crafted
- DEI Divisional Priorities aligned with One Virginia Strategic Plan
- Workforce data updated
- DEIO SharePoint page underway



## Priorities & Progress

- **Complete!** Phase 1 – Team WOW – warehouse optimization workgroup is complete:
  - 54 deliverables over 4 months
  - 4 areas of focus: Logistics & Ops; People, Performance & Culture; Safety & Enforcement; Comm & Trng
  - “Sleighin It” Theme for OND season (named by DC workforce)
  - Change support through OND; after-action-review in January
- **Change Support in motion:**
  - WOLO LA
  - Customer Support (transition from Footprints to Service Now)
  - Performance Management
  - Values Renewal work
  - Change Analysis to inform DIY Toolkits