

# Applying the DVBE Incentive

## Incentive Application:

- Incentive is required in solicitations that include the DVBE program requirement and may be offered in other competitive solicitations.
- Solicitations that include a DVBE program requirement may be exempt from the DVBE incentive only when both of the following requirements are met on the release date of the solicitation:
  - The department met or exceeded the DVBE 3 percent goal for 2 out of the 3 previous years as documented in the 3 most current published DGS annual reports, and
  - A department's highest ranking executive officer or his/her designee elects to exempt the solicitation.

The DGS maintains a DVBE Incentive Exemption List for documentation of eligibility to exempt from the incentive at:

<http://www.pd.dgs.ca.gov/dvbe/dvbeincentive.htm>

- Incentive is applied during the evaluation process and is only applied for responsive bids from responsible bidders proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation.
- Solicitations may provide for an incentive scale under which bidders obtaining higher levels of participation qualify for greater incentives.
- Award Based on Low Price: Incentive is applied by reducing the bid price by the amount of incentive as computed from the lowest responsive and responsible bid price. Computation for evaluation purposes only. Application of the incentive cannot displace an award to a small business with a non-small business.
- Award Based on High Score: Incentive points are included in the sum of non-cost points. Incentive points cannot be used to achieve any applicable minimum point requirements.

## Incentive Amount:

- Award Based on Low Price: Minimum incentive is 1 percent with or without a cap. Use of a higher incentive percentage(s) not to exceed 5 percent is allowed for a solicitation based upon the need to meet participation goals. For each solicitation, awarding departments' highest ranking executive office or his/her designee may elect to place a cap of not less than \$100,000 on the incentive and/or a cap of not less than \$100,000 for all combined incentives and preferences.
- Award Based on High Score: Incentive(s) shall not exceed 5 percent, nor be less than 1 percent of total possible available points, not including points for socioeconomic incentives or preferences.