

**CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)  
PROGRAM REQUIREMENTS – FOR GOODS AND INFORMATION TECHNOLOGY**  
(Revision Date 12/15/11)

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**Please read the requirements and instructions carefully before you begin.**

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**AUTHORITY.** The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC), §10115 et seq., Military and Veterans Code (MVC), §999 et seq., and California Code of Regulations (CCR), Title 2, §1896.60 et seq.

**The minimum DVBE percentage (goal) is 3% for this solicitation unless another percentage is specified in the solicitation.** A DVBE incentive will be given to bidders who provide DVBE participation, unless stated elsewhere in the solicitation that the DVBE incentive has been waived.

**INTRODUCTION.** The bidder must complete the identified form(s) to comply with this solicitation's DVBE program requirements. Bids or proposals (hereafter called "bids") that **do not include the required form(s) and fully document and meet the DVBE program requirement shall be considered non-responsive.**

Information submitted by the intended awardee to comply with this solicitation's DVBE requirements will be verified by the State. If evidence of an alleged violation is found during the verification process, the State shall initiate an investigation, in accordance with the requirements of the PCC §10115, et seq., and MVC §999 et seq., and follow the investigatory procedures required by the 2 CCR §1896.80. Contractors found to be in violation of these provisions may be subject to suspension from doing business with the State of California, contract termination, civil penalties and loss of State certifications.

**Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs (hereafter called "DVBE")** who will perform a commercially useful function (CUF) shall be used to satisfy the DVBE requirements. The criteria and definition for performing a commercially useful function are contained herein on the page entitled **Resources & Information**. Bidders must verify each DVBE subcontractor's certification with OSDS to ensure DVBE participation eligibility prior to submitting bids.

**Commercially Useful Function Definition**

California Code of Regulations, Title 2, § 1896.61(l):

The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing a commercially useful function.

As defined in MVC §999, a person or an entity is deemed to perform a "commercially useful function" if a person or entity does all of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.

**PLEASE READ ALL INSTRUCTIONS CAREFULLY.** These instructions contain information about the DVBE program requirements, bidder responsibilities, and the DVBE Bid Incentive. Bidders are responsible for thorough review and compliance with these instructions.

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**To meet the DVBE program requirements, bidders must complete and fully document compliance with the following:**

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**Commitment to full DVBE participation** – Bidders who are not a DVBE must use identified certified DVBE(s) to fulfill the full DVBE participation goal. DVBE bidders must commit to fulfill the full DVBE participation goal with its own resources or supplement its resources with identified DVBE(s) to fulfill the full DVBE participation goal.

**COMMITMENT** -- Commit to meet or exceed the DVBE participation requirement in this solicitation by either Method A1 (bidder is a California certified DVBE) or A2 (bidder is not a California certified DVBE). Bidders must document DVBE participation commitment by completing and submitting the Bidder Declaration (GSPD-05-105) located elsewhere within the solicitation document. Failure to complete and submit the required form(s) as instructed shall render the bid non-responsive.

**Method A1. Certified DVBE bidder:**

- a. Commit to perform the participation goal percentage of the contract bid amount with its own resources or in combination with another DVBE(s).
- b. Document DVBE participation on the Bidder Declaration GSPD-05-105.
- c. A copy of the solicitation or the solicitation number must be provided for each identified DVBE subcontractor. A written confirmation from each DVBE subcontractor identified on the Bidder Declaration must be provided. The written confirmation must include the solicitation number and be signed by the Bidder and DVBE subcontractor(s). The written confirmation shall include but is not limited to the DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment and total amount to be paid to the DVBE. Failure to submit signed confirmations shall render the bid non-responsive. If further verification is necessary, the State will obtain additional information to verify compliance with the above requirements.

**Method A2. Non-DVBE bidder:**

- a. Commit to using DVBE(s) to perform the participation goal percentage of the contract bid amount. Document DVBE participation on the Bidder Declaration GSPD-05-105.
- c. A copy of the solicitation or the solicitation number must be provided for each identified DVBE subcontractor. A written confirmation from each DVBE subcontractor identified on the Bidder Declaration must be provided. The written confirmation must include the solicitation number and be signed by the Bidder and DVBE subcontractor(s). The written confirmation shall include but is not limited to the DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment and total amount to be paid to the DVBE. Failure to submit signed confirmations shall render the bid non-responsive. If further verification is necessary, the State will obtain additional information to verify compliance with the above requirements.

**THE FOLLOWING MAY BE USED TO LOCATE DVBE SUPPLIERS:**

**Awarding Department:** Contact the department's contracting official named in this solicitation for any DVBE suppliers who may have identified themselves as potential subcontractors, and to obtain

suggestions for search criteria to possibly identify DVBE suppliers for the solicitation. The department's Small Business (SB/DVBE Advocate can also provide assistance with identifying DVBEs.

**Other State and Federal Agencies, and Local Organizations:**

**STATE:** Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at [www.eprocure.dgs.ca.gov](http://www.eprocure.dgs.ca.gov). To begin your search, click on "SB/DVBE Search." Search by one "Keyword" or "United Nations Standard Products and Services Code (UNSPSC) at a time that apply to the elements of work you want to subcontract. For questions regarding the online certified firm database, please call the OSDS at 916-375-4940 or send an email to [OSDSHelp@dgs.ca.gov](mailto:OSDSHelp@dgs.ca.gov).

Check for subcontractor ads that may be placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. You may access the CSCR at: [www.eprocure.dgs.ca.gov](http://www.eprocure.dgs.ca.gov). For questions regarding the CSCR, please call 916-375-2000 or send an email to [eprocure@dgs.ca.gov](mailto:eprocure@dgs.ca.gov).

**FEDERAL:** Search the U.S. Small Business Administration's (SBA) Central Contractor Registration (CCR) on-line database at [www.ccr.gov](http://www.ccr.gov)/ to identify potential DVBEs and click on the "Dynamic Small Business Search" button. Search options and information are provided on the CCR Dynamic Small Business Search site. First time users should click on the "help" button for detailed instructions. Remember to verify each firm's status as a California certified DVBE.

**LOCAL:** Contact local DVBE referral organizations. For a list of local organizations, go to <http://www.dgs.ca.gov/pd/Resources.aspx>, select the blue Small Business and Disabled Business Enterprises (SB/DVBE) tab, then select: [DVBE Referral Organizations](#) (PDF).

**DVBE BID INCENTIVE.** Unless stated elsewhere in the solicitation that the DVBE incentive has been waived, in accordance with Section 999.5(a) of the Military and Veterans Code an incentive will be given to bidders who provide DVBE participation. For evaluation purposes only, the State shall apply an incentive to bids that propose California certified DVBE participation as identified on the Bidder Declaration GSPD-05-105, (located elsewhere within the solicitation document) and confirmed by the State. The incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation. Unless a table that replaces the one below has been expressly established elsewhere within the solicitation, the following percentages will apply for awards based on low price.

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%

As applicable: (1) Awards based on low price - the net bid price of responsive bids will be reduced (for evaluation purposes only) by the amount of DVBE incentive as applied to the lowest responsive net bid price. If the #1 ranked responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses. The incentive adjustment for awards based on low price cannot exceed 5% or \$100,000, whichever is less, of the #1 ranked net bid price. When used in combination with a preference adjustment, the cumulative adjustment amount cannot exceed \$100,000.

(2) Awards based on highest score - the solicitation shall include an individual requirement that identifies incentive points for DVBE participation.

## RESOURCES AND INFORMATION

For questions regarding bid documentation requirements, **contact the contracting official at the awarding department for this solicitation.** For a directory of SB/DVBE Advocates for each department go to: <http://www.dgs.ca.gov/pd/Programs/OSDS/advocate.aspx>. For assistance with this directory, contact Department of General Services, Procurement Division (DGS-PD), SB/DVBE Advocate at 916-375-4400 or [Advocate@dgs.ca.gov](mailto:Advocate@dgs.ca.gov).

State law requires the DGS-PD to publish rosters of referral organizations to assist bidders in locating DVBEs. These referral organizations provide services for a fee. To obtain a list of referral organizations, please select:

- [DVBE Focus Paper Listing](#) (Excel)
- [DVBE Trade Paper Listing](#) (Excel)

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**U.S. Small Business Administration (SBA):**  
Use the Central Contractor Registration (CCR) on-line database.  
*Internet contact only* –Database: [www.ccr.gov/](http://www.ccr.gov/).

**FOR:**  
Service-Disabled Veteran-owned businesses in California (Remember to verify each DVBE's California certification.)

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**Local Organizations:** Go to <http://www.dgs.ca.gov/pd/Resources.aspx> and select [DVBE Referral Organizations](#) (PDF).

**FOR:**  
List of potential DVBE subcontractors

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**DGS-PD eProcurement**  
Website: [www.eprocure.dgs.ca.gov](http://www.eprocure.dgs.ca.gov)  
Phone: (916)375-2000  
Email: [eprocure@dgs.ca.gov](mailto:eprocure@dgs.ca.gov)

**FOR:**

- [SB/DVBE Search](#)
- CSCR Ads
- Click on Training tab to Access eProcurement Training Modules including: Small Business (SB)/DVBE Search

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**DGS-PD Office of Small Business and DVBE Services (OSDS)**  
707 Third Street, Room 1-400, West Sacramento, CA 95605  
Website: <http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>  
OSDS Receptionist, 8 am-5 pm: (916) 375-4940  
PD Receptionist, 8 am-5 pm: (800) 559-5529  
Fax: (916) 375-4950  
Email: [osdshelp@dgs.ca.gov](mailto:osdshelp@dgs.ca.gov)

**FOR:**

- SB/DVBE Search
- Certification Applications, information
- Certification Information
- Certification Status, Concerns
- General DVBE Program Info.