

Chapter 3

Socioeconomic and Environmental Programs

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Chapter 3

Socioeconomic and Environmental Programs

Overview

Introduction

This chapter describes socioeconomic and environmental programs established by State law and further defined by regulations and policies to increase business opportunities to small and disabled veteran businesses and those businesses operating in economically distressed areas of the State. Also included in this chapter are the State requirements for promoting the purchase of products that are energy efficient and have other preferable environmental attributes.

Most of the purchasing authority categories provide a means of claiming contracting dollars toward compliance with the socioeconomic and environmental programs goals. Chapter 3 provides an overview of each program, identifying what the program requirements are and describes the application of applicable price preference evaluation adjustments in competitive solicitations during the evaluation process.

An overview of the Americans with Disabilities Act (ADA) policy is also included within this chapter to familiarize departments with the importance of making all procurement activities available to all persons, including persons with disabilities, and where to go for assistance.

Contents

This chapter contains the following topics:

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Topic 1 – Americans with Disabilities Act

3.1.0 Americans with Disabilities Act (ADA)

In compliance with the provisions of the ADA and State policy, departments must make every effort to ensure its programs, activities, and services are available to all persons, including persons with disabilities.

3.1.1 Provide reasonable accom- modation

Departments must provide reasonable accommodation to those persons with disabilities that have special needs requiring accommodation in order to participate in the procurement process. Departments must also be prepared to respond to those persons having questions about reasonable accommodation.

3.1.2 Department ADA coordinator

Departments should have an ADA coordinator who is available to assist buyers in responding to questions or concerns regarding reasonable accommodation as it impacts the procurement process.

3.1.3 DGS/PD assistance available

Additionally, DGS/PD is available to assist departments with reasonable accommodation requests relative to participating in a procurement process. DGS/PD can be contacted at (916) 375-4400 (main office) for assistance.

3.1.4 Contact numbers for TTY/TDD and California Relay Service

The DGS/PD TTY/TDD (telephone device for the deaf) and California Relay Service numbers are listed below:

- TTY/TDD telephone numbers are:
 - Sacramento Office: (916) 376-1891
 - Fullerton Office: (714) 773-2093

 - California Relay Service telephone numbers are:
 - Voice: 1-800-735-2922
 - TTY/TDD: 1-800-735-2929
-

3.1.5 Advance notice

Departments need to provide DGS/PD a minimum of 10 working days before a scheduled event (i.e., meeting, conference, workshop) or competitive bid deadline due date to ensure a request can be accommodated.

Topic 2 – Small Business and Disabled Veteran Business Enterprise Contracting Opportunities

3.2.0 Opportunity

Pursuant to the Small Business Procurement Contract Act (GC sections 14835 through 14843), all departments must offer procurement opportunities to CA certified small businesses (SB), microbusinesses (MB) and disabled veteran business enterprise (DVBE) whenever possible. Hereafter unless otherwise directed any reference to certified small business(es) also includes certified microbusiness(es) as defined by the above referenced GC.

Consequently, departments should make every effort to seek out and include certified SB and DVBE when conducting any procurement activity within its approved purchasing authority.

3.2.1 Annual statewide participation goals

Pursuant to Executive Order D-37-01 and PCC section 10115, each department shall have an annual statewide participation goal in state contracting of not less than 25 percent for SB and not less than 3 percent for DVBE.

These goals were established to enhance and encourage competition by creating an optimum environment that affords all businesses equal access to State contracting opportunities. Departments unable to meet the required participation goal(s), are required to submit an Improvement Plan with annual reporting(s). Refer to [Chapter 12](#).

3.2.2 SB advocate

In accordance with GC section 14846, departments whose annual purchasing activities exceed \$100,000.00 (regardless of purchasing type(s) or categories) shall designate a SB advocate whose duties include but are not limited to:

- Identifying potential SB subcontractors and potential subcontracting opportunities.
- Making information regarding pending solicitations available to and consider offers from certified SB business suppliers capable of meeting the state's business need.
- Ensuring that payments due on purchase documents with SB suppliers are promptly made as provided by GC section 926.16 or 927.

[Click](#) here to access the SB and DVBE Advocate Directory.

Continued on next page

Topic 2 – Small Business and Disabled Veteran Business Enterprise Contracting Opportunities, Continued

3.2.3 Available procurement approaches to achieve goals

A number of purchasing categories, depending on a department's approved purchasing authority, including competitive solicitation, leveraged procurement agreement (LPA) contracts and the SB/DVBE option, are available to departments for use in achieving participation goals.

Refer to [Chapter 6](#) – Leveraged Procurement Agreements (LPA) for information on the process of claiming SB and DVBE contracting dollars under an LPA purchasing category.

3.2.4 SB/DVBE Option

GC section 14838.5 (a) and (b) enables a department to conduct a competitive solicitation valued at \$5,000.01 through \$99,999.99 that targets only certified SB or certified DVBEs.

Refer to [Chapter 4](#) - Competition for detailed information regarding the SB/DVBE Option process.

Note: Buyers conducting a competitive solicitation for a printing project using the SB/DVBE Option procurement approach must also solicit OSP in accordance with GC section 14612.2 and the requirements as described in 2.C4.2 of Topic 4, Section 4, [Chapter 2](#).

3.2.5 Verifying certification status

Departments shall verify California SB and DVBE certification status prior to a contract award regardless of the procurement approach. This verification can be obtained by accessing the SB and DVBE Services certified firm inquiry database located on the DGS/PD' web page.

The database printout in support of an SB and/or DVBE certification must be maintained in the procurement file.

[Click](#) here to access the SB and DVBE Services web page.

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Topic 2 – Small Business and Disabled Veteran Business Enterprise Contracting Opportunities, Continued

3.2.6 Commercially useful function

In accordance with GC section 14837 all SBs and DVBEs contractors, subcontractors and suppliers that bid on or participate in a state contract, regardless of being a verbal or written solicitation and/or paid for using the CAL-Card as a payment method, must perform a commercially useful function (CUF). In addition, the requirement to determine CUF is not affected by the applicability of the 5 percent SB and/or the DVBE participation preference program. There is no exception to this requirement. Consequently, certified SB, MB and DVBE businesses must perform a CUF to be in compliance with their certified status. Buyers must determine that a CUF will be performed prior to contract award.

[Click](#) here to access Management Memo 05-03.

[Click](#) here to access the DVBE and SB Program Violations and Sanctions web page.

3.2.7 Reporting requirements

Refer to [Chapter 12](#)- Reporting Requirements for SB and DVBE participation reporting requirements.

3.2.8 Contact SB/DVBE Services

[Click](#) here to access the SB and DVBE Services web page.

Topic 3 – Disabled Veteran Business Enterprise Participation Program

3.3.0 Authority The DVBE participation program for all state contracts is established in PCC section 10115 et seq., Military and Veterans Code, section 999 et seq. and CCR, Title 2 section 1896.60 et seq.

3.3.1 Waiving the requirement A department director or designee has the discretion to waive inclusion of DVBE participation from individual solicitations; however, the 3% annual goal still applies.

Buyers must document the procurement file whenever the DVBE requirement has been waived by the department director or designee. Refer to Topic 2 of this [chapter](#) for additional information.

3.3.2 Competitive solicitation and DVBE requirement Departments must develop DVBE solicitation language to include in their competitive solicitations that complies with the DVBE participation program.

The DVBE participation requirement applies for competitive solicitations regardless of the solicitation format (RFQ, IFB, RFP) or dollar value. Departments upon the approval of a department director or designee may exempt the DVBE requirement from a solicitation. When this occurs, the department must state in the solicitation that the DVBE requirement is waived.

Example:

“For the purpose of this solicitation, the DVBE participation requirement is waived.”

3.3.3 Meeting DVBE program requirements If the DVBE participation is a requirement of the competitive solicitation then a bidder must document at least one of the following three ways to comply with the DVBE program requirements:

- Commit to full DVBE participation.
- Documentation in support of Good Faith Effort.
- Provide an approved Business Utilization Plan.

Refer to [Topic 2](#) of this chapter and [MM 05-03](#) for CUF requirements.

Continued on next page

Topic 3 – Disabled Veteran Business Enterprise Participation Program, Continued

3.3.4 Advertising and the good faith effort

Bidders, as part of documenting DVBE Good Faith Effort, are required to advertise in trade papers and DVBE focus papers unless waived by the awarding department.

If the department elects to waive the advertising requirement, the following statement shall be included within the solicitation:

“For the purpose of this solicitation, the advertising requirement is hereby waived due to time constraints.”

3.3.5 Additional DVBE information

[Click](#) here to access the DGS/PD DVBE Participation web page.

Topic 4 – Small Business Preference and Competitive Solicitations

3.4.0 Preference amount

Departments granted competitive purchasing authority shall offer a 5 percent preference to California (CA) certified small businesses when conducting a competitive solicitation. The SB preference applies for competitive solicitations regardless of the solicitation format (RFQ, IFB, RFP) or dollar value with few exceptions.

Exception: The SB preference is not applicable when the solicitation is being conducted using the “SB/DVBE Option” procurement approach or if the acquisition is less than \$5,000.00 and price has been documented to be fair and reasonable. See Topic 2 of this [chapter](#).

3.4.1 Applying the preference

The SB preference must be applied when a responsible bidder that is not a CA certified SB submits the lowest responsive bid. Refer to [Topic 2](#) of this chapter and [MM 05-03](#) for CUF requirements.

Step	Action								
1	Calculate 5% of the low net non-small business bid. Note: “Net non-small business bid” is the value of the offer excluding sales and use tax, finance charges, postage and handling charges. Shipping charges are also excluded from the net cost unless the shipping charge is included in the evaluation such as FOB Origin, Freight Collect or FOB Destination.								
2	Subtract this amount from the low net certified small business bid.								
3	Apply the results of Step 2 as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">If the certified small business bid is....</th> <th style="width: 50%;">Then award is to the....</th> </tr> </thead> <tbody> <tr> <td>Lower than the non-small business bid</td> <td>Certified small business.</td> </tr> <tr> <td>Higher than the non-small business bid</td> <td>Non-small business.</td> </tr> </tbody> </table> <p>Note: Applying the small business preference formula is for evaluation purposes only and does not change the actual bids offered by any suppliers.</p>	If the certified small business bid is....	Then award is to the....	Lower than the non-small business bid	Certified small business.	Higher than the non-small business bid	Non-small business.		
If the certified small business bid is....	Then award is to the....								
Lower than the non-small business bid	Certified small business.								
Higher than the non-small business bid	Non-small business.								
4	Document the procurement file in sufficient detail to support the award.								
5	Documenting the file includes recording the small business preference calculations: Example: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 50%;">Supplier A Non-small business</th> <th style="width: 50%;">Supplier B Certified small business</th> </tr> </thead> <tbody> <tr> <td>\$12,500.00 Low Net Bid</td> <td>\$13,000.00 Net Bid</td> </tr> <tr> <td>X .05 Preference factor</td> <td><625.00></td> </tr> <tr> <td>\$ 625.00</td> <td>\$12,375.00</td> </tr> </tbody> </table> <p>Results: \$12,375.00 is less than \$12,500.00; consequently, the award is made to the certified small business (assuming all other conditions of the solicitation were met).</p>	Supplier A Non-small business	Supplier B Certified small business	\$12,500.00 Low Net Bid	\$13,000.00 Net Bid	X .05 Preference factor	<625.00>	\$ 625.00	\$12,375.00
Supplier A Non-small business	Supplier B Certified small business								
\$12,500.00 Low Net Bid	\$13,000.00 Net Bid								
X .05 Preference factor	<625.00>								
\$ 625.00	\$12,375.00								

Continued on next page

Topic 4 – Small Business Preference and Competitive Solicitations, Continued

3.4.2 Maximum preference allowed

In accordance with GC section 14838 the maximum small business bid preference allowed may not exceed \$50,000.00 for any bid, and the combined cost of preferences granted may not exceed \$100,000.00 total.

Combined bid preferences (SB, TACPA, LAMBRA, EZA and/or recycled) may not exceed 15% or \$100,000.00 whichever is less.

In the event of a precise tie between a certified SB bid and a certified DVBE small business, the award must be made to the DVBE small business per GC section 14838(f).

3.4.3 SB reporting

Refer to [Chapter 12](#) - Reporting Requirements for SB participation reporting requirements.

Topic 5 – Non-Small Business Subcontractor Preference and Competitive Solicitations

3.5.0 Preference amount

Departments granted competitive purchasing authority shall offer a 5 percent preference to non-small business(es) (non-SB) that commits 25 percent of its net bid price to CA certified small business (SB) subcontractor participation per GC section 14838(b)(1)(2).

Exception: The non-SB preference is not applicable when the solicitation is being conducted using the “SB/DVBE Option” procurement approach or if the acquisition is less than \$5,000.00 and price has been documented to be fair and reasonable. See Topic 2 of this [chapter](#).

3.5.1 Documenting the commitment

A non-SB supplier claiming 25 percent CA certified SB subcontractor participation must include in a bid response the following information in support of the subcontracting claim:

- Subcontractor name(s)
- Subcontractor address(es)
- Subcontractor phone number(s)
- A description of the work to be performed and/or products supplied and,
- The dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor.

Note: Each listed CA certified SB must perform a “commercially useful function” in performance of the contract as defined in GC section 14837(d)(4).

3.5.2 Required solicitation language

Buyers must include non-SB preference language in all written solicitations, except those solicitations conducted as a “SB/DVBE Option” procurement approach or if the acquisition is less than \$5,000.00 and price has been documented to be fair and reasonable

When applying the non-SB preference to a solicitation that is not written, the same concepts as required for a written solicitation must be applied and the appropriate documentation must be retained in the procurement file.

[Click](#) here to access the required non-SB solicitation language.

Continued on next page

Topic 5 – Non-Small Business Subcontractor Preference and Competitive Solicitations, Continued

3.5.3 Applying the preference

The SB preference must be applied when a responsible bidder that is not a CA certified SB or a non-SB claiming 25% CA certified SB subcontractor participation submits the lowest responsive bid. The following is an example of applying the SB preference to determine the successful bidder.

Supplier	Bid Amount	Bid after applying SB preference	Status of Bidder
A	\$19,870.00	\$18,921.25	Claims non-SB subcontractor preference and commits to 25% certified SB participation.
B	18,975.00	18,975.00	Does not claim to be SB and does not claim non-SB subcontractor participation.
C	19,520.00	18,571.25	Claims to be certified SB.

Step	Action																				
1	<p>Calculate 5% of the net bid price of the lowest responsible and responsive bid. In this example Bidder B is the lowest responsive bid.</p> <p style="margin-left: 40px;"><u>Supplier B</u> \$18,975.00 Net bid price X .05 Preference factor \$ 948.75 Preference value to be applied for evaluation purposes to non-SB and SB suppliers.</p>																				
2	<p>Subtract this amount from the bid amount of Supplier A claiming non-SB subcontractor preference and Supplier C claiming certified SB.</p> <p>Note: Applying the SB preference formula is for evaluation purposes only and does not change the actual bids offered by any suppliers.</p>																				
3	<p>Apply the results of Step 2 as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Supplier A</th> <th colspan="2" style="text-align: center;">Supplier C</th> </tr> <tr> <th colspan="2" style="text-align: center;">Non-SB claiming subcontractor preference</th> <th colspan="2" style="text-align: center;">Certified SB</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$19,870.00</td> <td style="text-align: left;">Net bid price</td> <td style="text-align: right;">\$19,520.00</td> <td style="text-align: left;">Net bid price</td> </tr> <tr> <td style="text-align: right;"><948.75></td> <td style="text-align: left;">Preference amt.</td> <td style="text-align: right;"><948.75></td> <td style="text-align: left;">Preference amt.</td> </tr> <tr> <td style="text-align: right;">\$18,921.25</td> <td style="text-align: left;">Adjusted amt. after applying preference</td> <td style="text-align: right;">\$18,571.25</td> <td style="text-align: left;">Adjusted amt. after applying preference</td> </tr> </tbody> </table> <p>Results: \$18,571.25 is less than \$18,975.00; consequently, the award is made to the certified SB.</p>	Supplier A		Supplier C		Non-SB claiming subcontractor preference		Certified SB		\$19,870.00	Net bid price	\$19,520.00	Net bid price	<948.75>	Preference amt.	<948.75>	Preference amt.	\$18,921.25	Adjusted amt. after applying preference	\$18,571.25	Adjusted amt. after applying preference
Supplier A		Supplier C																			
Non-SB claiming subcontractor preference		Certified SB																			
\$19,870.00	Net bid price	\$19,520.00	Net bid price																		
<948.75>	Preference amt.	<948.75>	Preference amt.																		
\$18,921.25	Adjusted amt. after applying preference	\$18,571.25	Adjusted amt. after applying preference																		
4	<p>Document the procurement file in sufficient detail to support the award. This includes recording the SB preference calculations.</p> <p>Note: If the result of applying the preference to Supplier A and Supplier C was reversed, the award would still be made to the certified SB because a non-SB subcontractor claiming subcontractor preference can not remove an award from a certified SB.</p>																				

Continued on next page

Topic 5 – Non-Small Business Subcontractor Preference and Competitive Solicitations, Continued

3.5.4 Ties between suppliers claiming preferences

In the event of a precise tie between a certified SB bid and a non-SB subcontracting with CA certified SB, the award will be made to the certified SB.

[Click](#) here to access the small business regulations contained in the CCR, Title 2 section 1896.

3.5.5 Maximum preference allowed

The maximum preference allowed to a non-SB business claiming SB subcontracting may not exceed \$50,000.00 for any bid. Combined bid preferences (SB, TACPA, LAMBRA, EZA and/or recycled) may not exceed 15% or \$100,000.00 whichever is less.

3.5.6 SB reporting

Refer to [Chapter 12](#) - Reporting Requirements for SB participation reporting requirements.

Topic 6 – Small Business Nonprofit Veteran Service Agencies and Competitive Solicitations

3.6.0 Preference amount

Departments granted competitive purchasing authority shall offer a 5 percent SB preference to nonprofit veteran service agencies (NVSA) that have been CA certified as a small business nonprofit veteran service agency (SB/NVSA) when conducting a competitive solicitation.

3.6.1 Eligibility

Nonprofit veteran service agencies (NVSA) suppliers will be designated as SB/NVSA certified and identified on the OSDC website. A SB/NVSA must already possess a valid CA certification prior to submitting a response to a competitive solicitation.

3.6.2 Verifying certification status

As with other certifications, buyers shall verify California SB/NVSA certification status by accessing the SB and DVBE Services certified firm inquiry database located on the DGS/PD web page.

The database printout in support of the SB/NVSA must be maintained in the procurement file.

[Click](#) here to access the SB and DVBE Services web page.

3.6.3 Applying the preference

The application of the SB preference is only allowed when a SB/NVSA is acting as the prime supplier.

The mechanics for calculating the SB preference, maximum dollar thresholds, basis for award, etc. has not changed. The SB preference must be applied when a responsible bidder that is not a CA certified SB or SB/NVSA submits the lowest responsive bid.

Refer to this chapter, [Topic 4](#) for instructions on how to calculate the preference.

3.6.4 SB/DVBE Option

Buyers may solicit CA certified SB/NVSA when conducting a SB/DVBE Option solicitation in accordance with GC section 14838.5 (a).

Continued on next page

Topic 6 – Small Business Nonprofit Veteran Service Agencies and Competitive Solicitations, Continued

3.6.5 Notification of ineligibility

A SB/NVSA is required to provide social security and unemployment and disability benefits for its employees. If the event that the SB/NVSA ceases to be compliant with these requirements, any existing contract awarded as a result of the application of the SB preference must be terminated and the SB/NVSA will be ineligible to contract with the state for two (2) years.

Notification of ineligibility will be disseminated to departments through DGS/PD broadcast bulletins and the information posted to the OSDC website.

[Click](#) here to access the DVBE and Small Business Program Violations and Sanctions web page.

3.6.6 Reporting requirements

Contract awards to SB/NVSAs shall be included with the count of SB participation as part of the annual reporting requirements.

Refer to [Chapter 12](#), Topic 4 for SB reporting requirements.

Topic 7 – Competitive Solicitation Preference Programs – TACPA/EZA/LAMBRA

(Revised 04/09)

3.7.0 TACPA, EZA, and LAMBRA Preferences

Departments granted purchasing authority to conduct any type of competitive solicitation for non-IT goods are required to include the following preference program attachments in solicitations valued at \$100,000.00 and greater:

- Target Area Contract Preference Act (TACPA)
- Enterprise Zone Act (EZA)
- Local Agency Military Base Recover Area Act(LAMBRA)

This chapter outlines the use of these programs, the evaluation process, and how to award contracts for non-IT goods. For a discussion on the use of these programs for contracts with non-IT services, see SCM Volume 1; for IT goods and services, see SCM Volume 3.

The TACPA and EZA preferences apply only to California based firms that demonstrate and certify under penalty of perjury that at least 50 percent of the total labor hours for manufactured goods or 90 percent of the total labor hours for services will be performed in qualifying areas. The LAMBRA preference applies to firms that demonstrate and certify under penalty of perjury that at least 50 percent of the total labor hours for manufactured goods or 90 percent of the total labor hours for services will be performed in qualifying areas experiencing military base closures.

Bidders may also apply for an additional work-force preference of one to four percent if the bidder agrees to perform the contract with persons with high risk of unemployment. The work force preference is as follows:

- 1 % = 5 to 9 percent of the work force to perform the contract labor hours are individuals with high risks of unemployment.
- 2 % = 10 to 14 percent of the work force to perform the contract labor hours are individuals with a high risks of unemployment.
- 3 % = 15 to 19 percent of the work force to perform the contract labor hours are individuals with a high risks of unemployment.
- 4 % = 20 or more percent of the work force to perform the contract labor hours are individuals with a high risks of unemployment.

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Topic 7 – Competitive Solicitation Preference Programs – TACPA/EZA/LAMBRA, Continued

3.7.1 TACPA/EZA/ LAMBRA Solicitation Language

Departments shall include language that identifies to bidders that the TACPA, EZA, and LAMBRA preferences are applicable to the competitive solicitation. Recommended solicitation language is as follows:

The following preferences will be granted for this procurement. Bidders wishing to take advantage of these preferences will need to review the following websites and submit the appropriate response with the bid:

- Target Area Contract Preference Act (TACPA)
<http://www.pd.dgs.ca.gov/edip/tacpa.htm>
- Enterprise Zone Act (EZA)
<http://www.pd.dgs.ca.gov/edip/eza.htm>
- Local Agency Military Base Recovery Area Act (LAMBRA)
<http://www.pd.dgs.ca.gov/edip/lambra.htm>

Bidders wishing to take advantage of these preferences are required to submit the following applications/forms:

- TACPA (Std. 830) and/or EZA (Std. 831) and/or LAMBRA (Std. 832)
- Bidder's Summary of Contract Activities and Labor Hours (DGS/PD 525)
- Manufacturer Summary of Contract Activities and Labor Hours (DGS/PD 526).

3.7.2 Recommended Dollar Value to include Language and Preference Forms

DGS/PD strongly recommends that departments include the solicitation language and preference forms in all competitive solicitations valued at \$85,000.00 and greater. If the low responsive bid received from a responsible supplier is \$100,000.00 or more, and the department did not include the preference requirements in the solicitation, the department must cancel and re-issue the solicitation.

Continued on next page

Topic 7 – Competitive Solicitation Preference Programs – TACPA/EZA/LAMBRA, Continued

3.7.3 Program descriptions

The table below provides an overview of each preference program:

Preference Program	Program Description
<p><u>Target Area Contract Preference Act (TACPA)</u> Click here to access the TACPA preference request (STD.830) Click here to obtain information on Census Tract and Block Group Number</p>	<ul style="list-style-type: none"> • Pursuant to GC section 4530 – 4535.3 • Encourages and facilitates job maintenance and job development in distressed and declining areas found in California cities and towns.
<p><u>Enterprise Zone Act (EZA)</u> Click here to access the EZA preference request (STD.831) Click here to access the California Association of Enterprise Zones</p>	<ul style="list-style-type: none"> • Pursuant to GC section 7070 - 7089 • Targets economically distressed areas throughout California. • Provides tax incentives to businesses and allows private sector market forces to revive the local economy. • Enterprise zones are located throughout California.
<p><u>Local Agency Military Base Recovery Area Act (LAMBRA)</u> Click here to access the LAMBRA preference request (STD.832) Click here to access the California Association of Enterprise Zones</p>	<ul style="list-style-type: none"> • Pursuant to GC section 7105 - 7118 • Promotes employment and economic development at designated military bases in the state. • Developed to attract reinvestment and re-employ workers.

Contracts excluded from the Preference Programs include construction contracts and contracts with a designated worksite.

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Topic 7 – Competitive Solicitation Preference Programs – TACPA/EZA/LAMBRA, Continued

3.7.4 Preference Procedures

The DGS, Procurement Division reviews all TACPA, EZA, and LAMBRA applications. Departments must submit all of the following to the DGS, Preference Unit for review:

- Copies of the TACPA (Std. 830), and/or EZA (Std. 831), and/or LAMBRA (Std. 832) application(s)
- Bidder's Summary (DGS/PD 525)
- Manufacturer's Summary (DGS/PD 526)
- Copy of Solicitation
- Delivery Schedule (if applicable)

Preference requests are reviewed and generally processed within 5 working days. Applications that do not have the Bidder's Summary and Manufacturer's Summary forms attached are rejected.

If the contract analyst awards the contract to a vendor as a result of a preference, the contract analyst must notify the Preference Unit. The Preference Unit monitors the contract for compliance. Non-compliant contract performance has the following consequences:

- (A) The contractor will pay to the state any difference between the contract amount and what the State's cost would have been if the contract had been properly awarded;
- (B) In addition to the amount specified in (A), the contractor will be assessed a penalty in an amount of not more than 10 percent of the total value of the contract; and
- (C) The contractor will be ineligible to directly or indirectly transact any business with the State for a period of not less than six months and not more than 36 months.

3.7.5 Maximum Preference Allowed

The maximum preference allowed individually (TACPA, EZA, or LAMBRA) is 9 percent (up to 5 percent worksite maximum and up to 4 percent of workforce maximum) of the bid amount or may not exceed \$50,000.00 for any bid. In combination with any other preferences (TACPA, EZA, LAMBRA, SB, non-SB subcontracting participation, recycled, etc), the maximum limit of the combined preferences is 15 percent of the bid amount and, in no case, shall be more than \$100,000.00 per solicitation.

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Topic 7 – Competitive Solicitation Preference Programs – TACPA/EZA/LAMBRA, Continued

3.7.6 Preference Program Contact

Click here to access the [Dispute Resolution and Preference Program web page](#).

3.7.7 Sample participation worksheet

Click here to access the [Participation Worksheet revised 12/05/07](#).
Click here to access the [Participation Worksheet Instructions revised 12/2007](#).

Departments are reminded that the use of this form is optional. The form is being provided only as an example of how a department can collect participation data.

Topic 8 – Buy Recycle Program

3.8.0 Utilizing recycled content products PCC section 12150, et. seq. requires departments to utilize recycled content products (RCP). A minimum of 50 percent of funds expended on products in eleven of the twelve-targeted groups must be products meeting the requirements of an RCP. The exception is “fine printing and writing paper” which has a requirement of 25 percent unless required by law.

3.8.1 Consider recycled products Departments granted any type of purchasing authority and purchasing categories will consider recycled products in conducting its purchasing activities.

3.8.2 Recycled preference and competitive solicitations PCC section 12162(c) requires departments to give a price preference, not to exceed 10 percent to recycled paper products, if the product’s fitness, quality and availability are comparable to nonrecycled products.
Contact the Integrated Waste Management Board at (916) 341-6000 for additional information.

3.8.3 Supplier certification Pursuant to PCC section 12205, all purchases of products in the targeted categories must include a certification by the supplier, under penalty of perjury as to the recycled content percentage. The supplier may certify that the product contains zero recycled content.

[Click](#) here to access the Recycled-Content Certification form (CIWMB 74).

[Click](#) here to access the CIWMB web page for alternate methods that the CIWMB has authorized to meet the certification requirement.

Disclaimer: Until further notice, the suggested solicitation language as referenced on this web page is not recommended for use by departments with approved purchasing authority.

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Topic 8 – Buy Recycle Program, Continued

3.8.4 Reportable product categories

The 12-reportable product categories are as follows:

• Printing and writing papers	• Paints
• Paper products	• Solvents
• Plastic products	• Tires
• Compost and co-compost products	• Tire derived products
• Glass products	• Steel products
• Lubricating Oils	• Antifreeze

3.8.5 Recycled product reporting

Refer to [Chapter 12](#)- Reporting Requirements for recycled product reporting requirements.

Topic 9 – Environmentally Preferable Purchasing (aka: Sustainability or Buy Green)

3.9.0 Definition

"Environmentally preferable purchasing" as defined in PCC section 12400 means the procurement or acquisition of goods and services that have a lesser or reduced effect on human health and the environment when compared with competing goods or services that serve the same purpose.

This comparison shall take into consideration, to the extent feasible, raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, disposal, energy efficiency, product performance, durability, safety, the needs of the purchaser, and cost.

3.9.1 Department requirements

Departments shall purchase only those products that meet the Federal Energy Management Program (FEMP) recommended standards where standards are available.

All products displaying the Energy Star® label meet the FEMP standards. A purchase of an Energy Star® labeled product automatically complies with the directive as stated by Management Memo 01-14.

Note: Departments need to be aware that the State's appliance regulations for energy efficiency may be higher than that of the FEMP standards. Most often these types of purchases will be made as a result of a construction project and not under a department's purchasing authority. Although that will most often be the case, there may be exceptions. Consequently departments need to be aware of these higher State standards should the occasion arise where an appliance purchase is conducted outside of a construction project.

[Click](#) here to access the California Energy Commission web page for the appliance efficiency program and applicable Title 20 appliance regulations.

3.9.2 Preparing solicitations

Technical requirements in solicitations shall include FEMP requirement standards where standards are available.

Example:

A primary feature of Energy Star-compliant products is the ability to automatically power down to a low energy "sleep" mode after a specified period of inactivity.

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Topic 9 – Environmentally Preferable Purchasing (aka: Sustainability or Buy Green), Continued

3.9.3 No FEMP recommended standard For energy consuming products where there are no FEMP recommended standards, departments shall purchase products that conserve electrical power and/or natural gas to the maximum extent possible.

3.9.4 Energy Star® products Listed below are examples of Energy Star® product categories and products for non-IT goods.

[Click](#) here to access the Energy Star program and listing of suppliers providing Energy Star-compliant products.

Product Category	Non-IT Goods Examples
Office Technologies	<ul style="list-style-type: none"> • Copiers • Fax machines
Commercial and industrial equipment and appliances	<ul style="list-style-type: none"> • Air or water-cooled electric chillers • Air conditioners • Heat pumps • Boilers • Ice cube machines • Clothes washers • Motors • Distribution transformers • Centrifugal pumping systems
Construction products	<ul style="list-style-type: none"> • Residential windows • Roof products
Residential equipment and appliances	<ul style="list-style-type: none"> • Room air conditioners • Dishwashers • Refrigerators • Clothes washers • Central air conditioners • Gas furnaces • Electric water heaters • Gas water heaters • Air source heat pumps
Water saving technologies (saving energy used to pump, heat and treat water)	<ul style="list-style-type: none"> • Faucets • Showerheads • Toilets • Urinals

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Topic 9 – Environmentally Preferable Purchasing (aka: Sustainability or Buy Green), Continued

3.9.5 IT equipment Energy Star® examples

Listed below are examples of Energy Star® product categories and products that are IT goods:

- Personal Computers
 - Monitors
 - Printers
 - Scanners
 - Multi-function devices
-

Topic 10 – Infrastructure-Related Bond Act of 2006

(Revised 08/08)

3.10.0 Opportunity

In 2006, the People of California enacted the infrastructure-related bond acts of 2006 (I-Bonds) authorizing the issuance of \$42.7 billion in bonds for five distinct infrastructure programs: transportation (proposition 1B), housing (proposition 1C), education (proposition 1D), flood control (proposition 1E), and natural resources (proposition 84). Collectively, these bonds fund more than 60 programs within the state and are the first stage of the twenty-year California Strategic Growth Plan.

In keeping with the State's commitment to small businesses, microbusinesses, and disabled veteran business enterprises (hereafter, SB, MB, and DVBE), Assembly Bill 761 was signed into law (added Government Code Section 14838.1) ensuring that SB, MB, and DVBE are given an opportunity to participate in, and be a successful part of the State's infrastructure construction.

3.10.1 Contract Requirements

In conformity with Government Code Section 14838.1, each state department awarding contracts directly to contractors with proceeds of the I-Bonds shall do all of the following:

- Establish a twenty-five percent SB participation goal in all I-Bond financed contracts awarded directly from the department to the contractor.
- Advertise all opportunities to bid on I-Bond funded contracts in the California State Contracts Register (CSCR). Contract announcements Opportunities* published in the CSCR must use the following numbering convention:
 - For Proposition 1B: if your department is using funds from the *Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006*, begin your contract opportunity number with **Bond06-1B HWY** followed by your department's unique identifying number. For example: Bond06-1B HWY-08-316604
 - For Proposition 1C: if your department is using funds from the *Housing and Emergency Shelter Trust Fund Act of 2006*, begin your contract opportunity number with **Bond06-1C HOUSE** followed by your department's unique identifying number. For example: Bond06-1C HOUSE-08-316604
 - For Proposition 1D: if your department is using funds from the *Kindergarten-University Public Education Facilities Bond Act of 2006*, begin your contract opportunity number with **Bond06-1D EDU** followed by your department's unique identifying number. For example: Bond06-1D EDU-C0837010
 - For Proposition 1E: if your department is using funds from the *Disaster Preparedness and Flood Prevention Bond Act of 2006*, begin your contract opportunity number with **Bond06-1E DIS** followed by your department's unique identifying number. For example: Bond06-1E DIS-08-316604

- For Proposition 84: if your department is using funds from the *Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006*, begin your contract opportunity number with **Bond06-84 WATER** followed by your department's unique identifying number. For example: Bond06-84 WATER-10088675

- Include in the advertisement an Internet link to information for prospective bidders, including at minimum, general bidding procedures and proper procedures for preparing a bid for I-Bond funded contracts.

***Note:** The CSCR uses “contract number” rather than “opportunity number.”

**3.10.2
Participation
Reporting**

State departments must report the SB, MB, and DVBE participation in their I-Bond funded contracts beginning with fiscal year 2008-2009. Each department, on or before August 1, 2009, and annually thereafter, will complete and submit a STD 810A Infrastructure Bond Acts of 2006 Activity Report. Report coordinators may contact the DGS reports coordinator at osdchelp@dgs.ca.gov for assistance, or visit <http://www.pd.dgs.ca.gov/smbus/annualreports.htm>.

**3.10.3 SB
Advocate**

There is no additional requirement to Government Code Section 14846, for departments contracting directly with the proceeds of I-Bond funding to designate a SB advocate. In accordance with Section 14846, departments must assure that payments due on a contract with a SB are made promptly as provided for in Government Code Section 927 et seq.

**3.10.4 SB
Preference**

I-Bond funded contracts shall offer a five percent preference to SBs when evaluating bids. For more information on the application of the SB preference, see Chapter 3, Section 3.4.0 of the State Contracting Manual, Volume 2.

**3.10.5 SB and
DVBE
Requirements**

For requirements and definitions of California-Certified SB, MB, and DVBE, see Section 3 of this volume, or visit <http://www.pd.dgs.ca.gov/smbus>.

**3.10.6
SB/DVBE
Option**

The SB/DVBE option, Government Code Section 14838.5 and 14838.7, shall not be allowed for I-Bond funded projects directly contracted by a state department.

**3.10.7 NCB
Contracts**

The use of non-competitive bid contracting with I-Bond financing as defined in Public Contract Code Sections 10301 and 12102 shall not be allowed for I-Bond funded projects directly contracted by a state department.

Topic 10 – Infrastructure-Related Bond Act of 2006, Continued

3.10.8 LPA Contracts

The use of leveraged procurement agreements including master agreements, California Multiple Award Schedules, statewide contracts, the Software Licensing Program, or the State Price Schedules shall not be allowed for I-Bond funded projects directly contracted by a state department.

3.10.9 Further Assistance

For further assistance with I-Bond funded contracting, please contact:

- The Office of Small Business and Disabled Veteran Services at 916-375-4940, or via email: osdchelp@dgs.ca.gov