

**12. Disabled Veteran Business Enterprise (DVBE) Incentive For IFB**

The DVBE Incentive (California Code of Regulations) provides opportunity for a responsive and responsible bidder to receive additional incentive calculations. The incentive is applied at the time of bid evaluation when a bidding firm selects a California-certified DVBE subcontractor to provide services or commodities in support of the overall contract effort. Application of the DVBE Incentive *may* place the bidding firm in line for contract award. The following are key points of the DVBE Incentive Program.

- a. The DVBE Incentive is applied during the evaluation process and is *only* applied to responsive bids from responsible bidders proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation.
- b. DVBE Incentive participation is *optional* and at the discretion of the bidding firm.
- c. When requesting the Incentive, bidding firms must complete the attached DVBE Incentive Application Request. The form must be included with the bid submittal.
- d. Application of the Incentive cannot displace the low bid of a certified-small business with that of a non-small business.
- e. The Incentive is applied by reducing the bid price of the next qualified low bidder by the amount of incentive as computed from the lowest responsive and responsible bid price. Computation is for evaluation purposes only. (CCR 1896.100 (b))
- f. Services or commodities provided by the DVBE firm **MUST** meet the regulations and definition of a “Commercially Useful Function” as defined under Government Codes: 14837; 14838.6; 14839; 14842; 14842.5 and Military and Veterans Code 999 and 999.6. A DVBE firm that does not meet CUF regulations will render the Bidding firm ineligible for the DVBE Incentive application.

**13. DVBE Incentive Option vs. DVBE Program Requirements**

Department may formally exempt a solicitation from California DVBE Program requirements overall and still include the DVBE Incentive. Bidders should review the bid document closely to determine if the California DVBE Program requirement is included in the solicitation language.

California DVBE Program requirements, when included, are not optional and must be met. If a bidding firm does not undertake DVBE program activities as specified in the solicitation and make efforts to document those activities through 1) the selection of a DVBE firm, or 2) through satisfaction of the Five Steps of the Good Faith Effort, the firm will be deemed non-responsive to bid requirements and their bid will be rejected.

**14. Use of DVBE Incentive Amount vs. DVBE Incentive Scale**

The Department has the option to select how the DVBE Incentive will be applied and will choose either the Incentive Amount or the Incentive Scale. See Paragraph 16, DVBE Program Incentive as Applied to select how the DVBE Incentive is to be applied to **IFB FIELD 29**.

- a. Incentive Amount  
The Department may identify a minimum one (1) percent up to a maximum of five (5) percent DVBE Incentive based on our need to meet overall DVBE participation goals. When a specific Incentive amount for a particular solicitation is identified (i.e. 1, 2, or 3 percent etc), firms meeting the DVBE participation percent specified may have the Incentive amount applied to their bid response if they are in line for award and they do not displace a certified small business low bidder.
- b. Incentive Scale  
When the DVBE Incentive scale is used, the Department will identify an Incentive percentage between one (1) percent and up to, but not exceeding five (5) percent. Use of the Incentive Scale gives bidders an opportunity to elect the level of DVBE participation based on their business needs.

The amount of the final DVBE Incentive applied is determined by the level of DVBE participation level selected.

**Confirmed DVBE Participation:**

DVBE Participation Level	Incentive Applied
1.0 - 1.99%	1%
2.0 up to 2.99%	2%
3.0 up to 3.99%	3%
4.0 up to 4.99%	4%
5% or Higher	5%

**15. DVBE Program Incentive as Applied to IFB**

For the purposes of this solicitation, the Department of Water Resources elects to use:

1.  A specified amount of Incentive to be applied. The amount of DVBE Incentive to be applied to this solicitation will be: %
2.  Incentive Scale: The Department is applying use of the DVBE Incentive Scale to this solicitation effort.

**16. Incentive Cap**

An awarding department's highest ranking executive officer, 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. (CCR 1896.99.120)

1.  For the purpose of IFB ####, there is no incentive cap placed on this solicitation.
2.  For the purpose of IFB ####, the cap placed on this solicitation for all combined incentives and preferences is \$000,00

**Example of Application of the DVBE Incentive Scale:**

Bidder	A	B	C
<b>Responsive/Responsible</b>	Yes	Yes	Yes
<b>Net Bid Price</b>	\$100,000	\$102,000	\$103,000
<b>Eligible Preference</b>	No	No	No
<b>Confirmed DVBE Participation Rank</b>	None	3%	100%
<b>Incentive Amount</b>	\$0.00	\$3,000	\$5,000
<b>Adjusted Bid Amount</b>	\$0.00	\$99,000	\$98,000
<b>New Rank</b>	3	2	1

Please Note: It is possible for a Small Business that is not low bid to be awarded a solicitation after the application of both the Small Business calculation preference and the DVBE Incentive calculation.

**DVBE INCENTIVE APPLICATION REQUEST**

Under the DVBE Incentive Regulations, CCR 1896.99.100, I request the application of the DVBE Program Incentive to my bid response for IFB **FIELD 29** to determine if my firm may be in line for bid award.

- a. I understand that the DVBE Incentive application will not be applied when the lowest responsive, responsible bid is from a California certified Small Business and that firm has been determined to have met bid requirements and is the awarded firm.
- b. I understand the DVBE firm(s) selected must provide a "Commercially Useful Function" as required under MVC Section 999.9 of the (SB/NVSA and DVBE) and GC section 14842 (SB/MB).
- c. I understand I will be required to report my firm's DVBE activities quarterly to the program contract manager and the DWR SB/DVBE Advocate using the DWR Form 9553 until the DVBE participation incentive level my firm has identified has been met.
- d. I understand that subsequent amendments to the contract may require continued use of the identified DVBE firm if that contract amendment adds additional funding for continued services.
- e. As the Bidding firm, I identify the following percentage of DVBE participation for this solicitation: \_\_\_\_ percent.

**SECTION A - BIDDING/PROPOSING FIRM INFORMATION**

Firm Name				
Firm Representative			Title	
Firm Address				
	City:		State:	ZIP
Firm Telephone			Firm Fax	
Firm Email Contact:				

**SECTION B - PROPOSED DVBE FIRM(S)**

DVBE Firm Name				
Firm Representative			Title	
Firm Address				
	City:		State	ZIP
Firm Telephone			Firm Fax	
Firm Email Contact:				
DVBE Certification	DGS OSDS No.		Date of Expiration	

- Instructions to Bidder:**
1. Complete Section A information;
  2. Fax this form to DVBE firm to complete Section B.
  3. Instruct the DVBE firm to include a copy of their DGS Office of Small and DVBE (OSDS) Services Certification when the form is returned
  4. The Incentive Application Request must be included with your bid/proposal to be considered for the DVBE Incentive application