

12. DVBE Incentive Program for RFP Secondary

Under California Code of Regulations 1896.99.100, the California DVBE Incentive provides responsive and responsible firms the opportunity to receive additional incentive calculations. The incentive is applied at the time of solicitation evaluation when a proposing 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 proposing firm in line for contract award.

The following are key elements of the DVBE Incentive Program.

- a. The DVBE Incentive is applied during the evaluation process and is *only* applied to responsive proposals from responsible firms 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 proposing firm.
- c. When requesting the Incentive application, bidding firms must complete and return the DVBE Incentive Application Request included within this solicitation with their proposal at time of submission.
- d. The Incentive is calculated by multiplying the solicitation's total points possible by the level of DVBE participation (%) identified by the responding firm. This amount is then added to the firm's total points to determine if they have the high score. Computation is for evaluation purposes only and cannot be used to achieve any applicable minimum point requirements. (CCR 1896.99.100 (d))
- e. Services or commodities provided by the DVBE firm **MUST** meet the 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 not meeting CUF regulations will render the responding firm ineligible for the DVBE Incentive application.

13. DVBE Incentive Option vs. DVBE Program Requirements

A Department may formally exempt a solicitation from California DVBE Program requirements, and still be required to include the DVBE Incentive when the Department has not met DVBE program goals three of the previous two fiscal years. Proposing firms should review the RFP closely to determine if the California DVBE Program requirement is included in the solicitation language.

California DVBE Program requirements, when included in a solicitation, are not optional and must be met by the proposing firm. If a proposing firm does not undertake DVBE program activities as specified in the RFP 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 RFP requirements and their bid will be rejected.

14. DVBE Incentive Application Based on High Score Method

Because this solicitation is being conducted as a Request for Proposal (RFP), the DVBE Incentive application will be based on the High Score method and follows the guidelines identified below:

- a. Application of the Incentive is based on the High Score Method. The Incentives shall not exceed 5 percent, nor be less than 1 percent of the total possible available points, not including points for socioeconomic incentives or preferences. (CCR 1896.99.120 (b))
- b. Incentive points are included in the sum of non-cost points
- c. Incentive points cannot be used to achieve any applicable minimum point requirements
- d. Incentive points may be a "desirable" administrative requirement that awards points based on amounts of participation.

SAMPLE: HIGH SCORE METHOD

Available points example using sliding scale:

200 points – administrative
 400 points – technical
600 points – cost
 1200 points

Possible Maximum 60 points DVBE incentive
 calculated as follows:

Confirmed DVBE Participation	Possible Points Calculation:
1% - 1.99% inclusive	1% X 1200 = 12
2% - 2.99% inclusive	2% X 1200 = 24
3% - 3.99% inclusive	3% X 1200 = 36
4% - 4.99% inclusive	4% X 1200 = 48
5% and Higher	5% X 1200 = 60

SAMPLE RESULTS: HIGH SCORE METHOD

Proposing Firm	A	B	C
Responsive/Responsible	Yes	Yes	Yes
Total Points	1050	1155	1125
Eligible Preference	SB	None	SB
SB Preference Points Applied	57.75	0	57.75
Subtotal	1107.75	1155	1182.75
Rank	3	2	1
Confirmed DVBE Participation	No (0%)	Yes (5%)	Yes (2%)
Incentive Points Applied	None	60	24
Adjusted Points	1107.75	1215	1206.75
New Rank	3	1	2

15. Order of Evaluation

- a. Small Business Preference is calculated by multiplying the highest total points achieved by 5% and adding the resulting calculation to the total points of the Small Business firm. In this sample the calculation was based on 1155 points x .05 resulting in 57.75 additional points added to the certified Small Businesses (A and C)
- b. DVBE Incentive Points are factored by multiplying the DVBE participation (%) identified by the total possible points that could be awarded (1200). This amount is then added to the firm's total points. In the sample above, Firm B had 60 additional points added (.05% x 1200 total points available) to their total points placing them first for award. Firm C received 24 Incentive points, but this was not enough to place them first for award)

- c. Under High Score Method, it is possible to displace a high point Certified Small Business with the Application of the DVBE Incentive.

16. DVBE Program Incentive as Applied to RFP #####

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

- a. ___ A specified amount of Incentive to be applied. The amount of DVBE Incentive applied to this solicitation will be: ___%.
- b. ___ Incentive Scale: The Department is applying the Incentive Scale to this solicitation effort.

17. 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)

- a. ___ For the purpose of **RFP #####**, there is no incentive cap placed on this solicitation.
- b. ___ For the purpose of **RFP #####**, the cap placed on this solicitation for all combined incentives and preferences is **\$000.00.**

DVBE INCENTIVE APPLICATION REQUEST

Under the DVBE Incentive Regulations, CCR 1896.99.100, I request the application of the DVBE Program Incentive to RFP ##### to determine if my firm may be in line for bid award.

- a. I understand that the DVBE Incentive application will be applied using the "High Score Method" and cannot be used to achieve any applicable minimum point requirements.
- 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	

Bidder Instructions:

1. Complete information in Section A;
2. Fax this form to DVBE firm to complete Section B.
3. Instruct the DVBE firm to provide a copy of their DGS Office of Small and DVBE Services Certification
4. This form must be included with your bid submittal to be considered for the DVBE Incentive application