

DVBE Program History

"Good Faith Effort" Terminated, Effective 7/28/09

The Good Faith Effort (GFE) provision no longer applies to State contracts with a DVBE participation goal. If a solicitation contains a DVBE participation goal, then the awarding department must award the contract to the lowest responsible bidder who meets the goal. Solicitations issued after 11:15 a.m. on July 28, 2009 (Implementation Date) must adhere to provisions of the law and must not contain a GFE option. See [ABX4 21](#) to view Assembly Bill 4X 21, §§ 1, 2 and 4, which amended §§ 10115.2, 10115.15 and 10472 of the Public Contract Code. For additional information see the AB4X 21 [FAQ's](#).

See [Narrative](#) for more details and assistance to State agencies, departments, boards, and commissions to comply with the new provisions.

Added DVBE Incentive, Effective 10/09/07

The Department of General Services (DGS) established a DVBE incentive pursuant to Senate Bill 115 chaptered October 3, 2005 and the Military and Veterans Code section 999.5(a). The new regulations apply to all competitive solicitations for public works, services, goods, and information technology goods and services posted or released after October 09, 2007. The DVBE incentive is required in solicitations that include DVBE program requirements and may be offered in other competitive solicitations.

The DVBE incentive offers state agencies a tool to increase their DVBE participation while still allowing the flexibility to exempt a contract from the participation requirement should the department deem it necessary. Each state agency should incorporate the use of the DVBE incentive into their plan or strategy to ensure achievement of at least three percent DVBE participation on their total contract dollars.

- [DVBE Incentive \(SB 115\)](#)

Added DVBE Participation Requirements, Effective 1/1/04

- DVBEs must perform a commercially useful function related to the contract's specifications.
- A DVBE that rents equipment to an awarding department is considered an equipment broker, unless one or more disabled veterans own 51% of the equipment with evidence to support the fact. This includes submitting to the Office of Small Business and DVBE Services (OSDS), a copy of the complete personal federal income tax return for each of the disabled veteran owners.
- DVBE brokers awarded a contract under the 3% goal provisions must disclose their broker status prior to contract performance.
- Equipment rented from DVBE equipment brokers cannot be credited towards the 3% participation goal.
- State agencies must not use a DVBE if the agency knows that the DVBE does not maintain certification requirements.