

DVBE Incentive Regulations

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CALIFORNIA CODE OF REGULATIONS
TITLE 2. ADMINISTRATION
DIVISION 2. FINANCIAL OPERATIONS
CHAPTER 3. DEPARTMENT OF GENERAL SERVICES

Adopt Subchapter 10.6 to read as follows:

SUBCHAPTER 10.6 DVBE INCENTIVE PROGRAM

§ 1896.98 Definitions.

(a) The definitions contained in Section 1896.61 shall apply to this subchapter.

NOTE: Authority cited: Sections 14600 and 14615, Government Code; Section 999.5(a) and (d), Military and Veterans Code. Reference: Section 999.5(a), Military and Veterans Code; Section 10115(c), Public Contract Code.

1896.99.100 Incentive Application

(a) Whenever an awarding department applies the DVBE program requirement, it shall offer the incentive as outlined in this subchapter for DVBE participation. Other competitive solicitations may also offer this incentive. For departments having met or exceeded the DVBE 3 percent goal for 2 out of the 3 previous years, their highest ranking executive officer or his/her designee may elect to exempt contracts from the DVBE incentive. The 3 most current published DGS annual reports are used to document a department's DVBE participation goal.

(b) The incentive is applied during the evaluation process and is only applied for responsive bids from responsible bidders proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation. Solicitations may provide an incentive scale under which bidders obtaining higher levels of participation qualify for greater incentives.

(c) For award based on low price, the incentive is applied by reducing the bid price by the amount of incentive as computed from the lowest responsive and responsible bid price. The computation is for evaluation purposes only. Application of the incentive shall not displace an award to a small business with a non-small business.

(d) For award based on high score, the incentive points are included in the sum of non-cost points. The incentive points cannot be used to achieve any applicable minimum point requirements.

NOTE: Authority cited: Sections 14600 and 14615, Government Code; Section 999.5 (a) and (d), Military and Veterans Code. Reference: Section 14838(f), Government Code; Section 999.5(a), Military and Veterans Code.

§ 1896.99.120 Incentive Amount

(a) For award based on low price, the minimum incentive is 1 percent with or without a cap. Use of a higher incentive percentage(s) not to exceed 5 percent is allowed for a solicitation based upon the need to meet participation goals. For each solicitation, awarding departments' 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.

(b) For award based on high score, the incentive(s) shall not exceed 5 percent, nor be less than 1 percent of total possible available points, not including points for socioeconomic incentives or preferences.

NOTE: Authority cited: Sections 14600 and 14615, Government Code; Section 999.5(a) and (d), Military and Veterans Code. Reference: Section 999.5(a), Military and Veterans Code.