

CALVET INFORMATION/POLICY	NO.: OPC-xxxx
TO: CalVet Employees	DATE ISSUED: Estimated Date is February 1, 2014
SUBJECT: Contracting With Small Businesses, Microbusinesses and Disabled Veteran Business Enterprises	EXPIRES: Until Rescinded

Purpose	<p>The Secretary, Department of Veterans Affairs (CalVet) is committed to offering procurement opportunities to Small Businesses (SB), Microbusinesses (MB), Nonprofit Veteran Service Agencies (NVSA), and Disabled Veteran Business Enterprises (DVBE) whenever possible. The annual statewide participation goal for SB is at least 25 percent (mandated through Governor’s Executive Order S-02-06) and at least 3 percent for DVBE (Mandated by Governor’s Executive Order D-43-01 and Military and Veterans Code § 999.1(a)(1)). The CalVet’s internal policy is at least 5 percent DVBE participation. The SB goal includes MB and NVSA participation.</p>
Policy	<p>To ensure that CalVet consistently meets the SB and DVBE goals, CalVet is reviewing the CalVet Administrative Manual and is updating its requirement that all procurements under \$250,000 for Goods, Services and IT Goods and Services, or under \$270,000 (amount subject to change January 2014) for Public Works, be awarded to SB, MB, NVSA, or DVBE.</p> <p>This CalVet Information/Policy is effective February 1, 2014 (final date to be determined). The policy will automatically be adjusted to reflect all changes in the dollar thresholds allowed under Government Code §§ 14838.5 and 14838.7. The dollar thresholds exclude sales and use tax, finance charges, postage, and handling charges. Shipping charges are also excluded unless the shipping charge is included in the evaluation such as FOB Origin, Freight Collect or FOB Destination.</p> <p>Procurements under these dollar thresholds not being awarded to a SB, MB, NVSA, or DVBE will require a waiver from CalVet’s SB/DVBE Advocate, or a DVBE Outreach & Education Coordinator, in Veterans Services. For purposes of this policy “procurements” means any CalVet purchase or contract. The policy applies regardless of the acquisition method, payment method or contract document used (STD. 65, 213, etc.). The following agreements are exempt from the attached waiver: Interagency, Federal government, local government, Joint Power Authorities, Prison Industry Authority, California State University/University of California (or respective campuses), Concessions, Non-Competitive Bid, Revenue/Reimbursement contracts, Public Transit, Community Based Rehabilitation, Statutorily Exempt, Emergency and Local Assistance/Subversion.</p>
Practices	<p>CalVet Programs, Contract Managers and Analysts shall first look to use the procurement options available through Government Code §§ 14838.5 and 14838.7 to ensure awards under the specified dollar thresholds are made to certified SB, MB, NVSA, and DVBE:</p> <ul style="list-style-type: none"> • Procurements Under \$5,000 – Use of the Fair and Reasonable (F&R) procurement method to award orders to SB, MB, NVSA, and DVBE. The criteria described in the State Contracting Manuals, Volumes 2 & 3 must be met in order to establish F&R costing. • Procurements from \$5,000.01 to \$249,999.99 (or up to \$270,000 for Public Works) – Shall be conducted utilizing the SB/DVBE Option. • Non-IT Orders under \$100.00 – Shall be awarded to a SB, MB, NVSA, or DVBE.
Waivers	<p>There are instances where the procurement methods described above may not be feasible, or when contracting with other than a certified SB, MB, NVSA, or DVBE is justified. Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Industries where at least two SBs (including MBs and NVSAs) or 2 DVBEs are not available, or

	<ul style="list-style-type: none"> • Business needs that dictate requirements that cannot be met by a SB, MB, NVSA, or DVBE. <p>For situations such as these, the SB/DVBE Waiver (located on the CalVet Intranet) must be approved by CalVet’s SB/DVBE Advocate, or a DVBE Outreach & Education Coordinator, in Veteran Services prior to issuing a contract to a company that is not a SB, MB, NVSA, or DVBE. It is up to Programs, Contract Managers and Analysts to determine when the waiver is submitted; however, it is advised that Programs, Contract Managers and Analysts contact the CalVet SB/DVBE Advocate, or a DVBE Outreach & Education Coordinator, early (e.g. prior to releasing a solicitation) if the above methods are not feasible and the procurement approach may result in the award to a non SB, MB, NVSA, or DVBE. For recurring situations, the waiver may be issued for up to 3 years.</p> <p>Programs will ensure waivers are complete, and submit the waivers to the CalVet SB/DVBE Advocate in Veterans Services for approval. Waivers must clearly document the steps taken and research completed to sufficiently justify an award to a non SB, MB, NVSA, or DVBE. Waivers must be maintained in the procurement file which is subject to audit for compliance with this policy. Waivers must also be maintained by the CalVet SB/DVBE Advocate in Veterans Services for a period of 3 years from the approval date.</p>		
Best Practices	<p>As allowable by law and policy, whenever practicable and possible, all CalVet Programs, Contract Managers and Analysts should act as SB and DVBE “Advocates.” This means Programs, Contract Managers and Analysts should be looking for opportunities to enhance both prime and subcontracting opportunities for SB, MB, NVSA, and DVBE for all procurement methods and dollar thresholds. The CalVet SB/DVBE Advocate and DVBE Outreach & Education Coordinators will train CalVet Programs, Contract Managers and Analysts at Headquarters and at the Veterans Homes, and they will be available to assist CalVet Programs, Contract Managers and Analysts to increase the SB, MB, NVSA, and DVBE supplier pool to meet their needs. The CalVet SB/DVBE Advocate and Outreach and Education Coordinators can be reached at Advocate@calvet.ca.gov. The Advocate may be reached at (916) 651-3045, while Outreach and Education Coordinators may be reached at 916-657-9354 or 916-503-8375. Below are some of the steps that CalVet Contract Managers and Advocates shall take to increase participation levels:</p> <ul style="list-style-type: none"> • Contact existing suppliers/contractors to ask if they are eligible for SB, MB, NVSA, or DVBE certification. • Recruit potential SB, MB, NVSA, or DVBE suppliers/contractors for upcoming opportunities using the SB/DVBE Option (see suggested template available on the CalVet Intranet). • Contract with and consider offers from eligible certified SB, MB, NVSA, or DVBE California Multiple Award Schedule (CMAS) suppliers/contractors (Government Code § 14846(b)) prior to placing an order against another type of Leveraged Procurement Agreement that is not a mandatory contract. 		
Approval	<p>(Copy with original signature available upon request)</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <p>_____</p> <p>Diane Vanderpot Date</p> <p>Undersecretary of Veterans Homes</p> </td> <td style="width: 50%; border: none;"> <p>_____</p> <p>Michael Wells Date</p> <p>Undersecretary of Operations/ Interagency Council</p> </td> </tr> </table>	<p>_____</p> <p>Diane Vanderpot Date</p> <p>Undersecretary of Veterans Homes</p>	<p>_____</p> <p>Michael Wells Date</p> <p>Undersecretary of Operations/ Interagency Council</p>
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