

**BULLETIN  
NUMBER:**

**12-08**

**RELEASE DATE:**

**September 26, 2012**

**APPLIES TO:**

- Contract Management Unit (CMU)**
- Purchasing Services Unit (PSU)**

**SUBJECT:**

**Use of certified Small Business and Disabled Veterans Business Enterprise**

**EFFECTIVE  
DATE:**

This bulletin is effective October 1, 2012 and shall remain in effect unless superseded or cancelled.

**PURPOSE:**

The California Department of Public Health (CDPH) is committed to providing contracting and procurement opportunities with California Certified Small Businesses (SBs), Microbusinesses (MBs), Disabled Veteran Business Enterprises (DVBEs), and Nonprofit Veteran Service Agencies (NVSAs).

The purpose of this bulletin is to announce the CDPH policy that all solicitations for the procurement of any Information Technology (IT) and non-IT goods and/or services valued under \$250,000 must be awarded to a certified SB, MB, or DVBE, unless a waiver is sought and approved in advance.

**BACKGROUND:**

Consistent with the Government Code 14835 and Military and Veterans Code 999.2 all State Departments are required to meet the annual 25 percent Small Business and 3 percent Disabled Veteran Business Enterprise participation goals. The State's commitment to the SB and DVBE goals were reinforced by Governor's Executive Order [S-02-06](#) and [D-43-01](#).

## **REQUIRED ACTIONS:**

Effective October 1, 2012, all CDPH procurements and/or contracts for goods and/or services below \$250,000 must be awarded to a SB/MB or DVBE.

Orders valued under \$5,000 could be procured by obtaining quotes from two SBs or DVBEs, or procured by obtaining one SB or DVBE quote and providing Fair & Reasonable Justification (see [CDPH 2435](#)).

Contracts and procurements valued from \$5,000.01 to \$249,999.99 must use the SB/DVBE Option (GC 14838.5 and 14838.7). The SB/DVBE Option is an informal solicitation process that requires quotes from only two or more SBs/MBs or DVBEs. The CDPH process and requirements for using the SB/DVBE Option is outlined in the following [CPSS Fact Sheet: SB/DVBE Option](#).

Assistance with searching for certified SBs/MBs or DVBEs is available in the [CPSS Tip Guide: SB/DVBE Search Assistance](#).

### **Waivers**

A waiver from the CDPH SB/DVBE Use policy must be requested and approved by the CDPH SB/DVBE Advocate, Rolando Torres, prior to the release of any solicitation. The SB/DVBE Use Waiver Request form ([CDPH 9087](#)) includes submittal instructions and is available on the CDPH Intranet.

### **Exemptions**

The following agreements are exempt from the SB/DVBE Use policy and do not require a waiver:

- Interagency agreements
- Purchases from Prison Industry Authority (PIA)
- DGS Mandatory Leveraged Procurement Agreements
- DGS Leveraged Procurement Agreements to a SB or DVBE.
- Emergency procurements or contracts
- Local Assistance /Subvention contracts

When using the SB/DVBE Option, the DVBE participation requirements of [ADMIN Memo 11-18-AI](#) and [CPSS Bulletin 10-05](#) do not apply.

## **QUESTIONS:**

Please direct questions about this bulletin to the department's SB/DVBE Advocate, Rolando Torres at (916) 650-0134 or via e-mail at [Rolando.Torres@cdph.ca.gov](mailto:Rolando.Torres@cdph.ca.gov).