

5215.00 | Disabled Veteran Business Enterprise (DVBE) Participation Goals

Effective Date: 10/3/2014 | **Revised Date:** 10/3/2014

POLICY OBJECTIVE

To establish system wide contracting and procurement policy as it is related to Disabled Veteran Business Enterprise (DVBE) goals, utilization and reporting.

POLICY STATEMENT

100 Definition of a DVBE

For the purposes of this policy, a Disabled Veteran Business Enterprise (DVBE) is defined as a business certified as such by the California Department of General Services (DGS).

200 DVBE Goal

The Disabled Veteran Business Enterprise (DVBE) Participation Program was established to acknowledge disabled veterans for their service and to further DVBE participation in state contracting, promote competition and encourage greater economic opportunity.

The state established a DVBE contracting participation goal of at least three percent (3%). The goal applies to the total contract dollars expended each year by all campuses. This includes all contracts, purchase orders, and procurement card orders.

300 Requirements

Disabled Veteran (DVBE) Advocate: The CSU has established, within the Chancellor's Office Department of Contracts and Procurement a DVBE Advocate and at each campus a DVBE Coordinator, consistent with the provisions of 999.12 of the Military and Veterans Code, to do all of the following:

- Assist certified DVBE firms to participate in the agency's contracting process.
- Assist contract officers in seeking DVBE firms to participate in the agency's contract and procurement activities.
- Disseminate information to the agency's contracts and procurement office: e.g. New policies, procedures, laws. SB/DVBE bid procedures;
- Serve as an advocate for the DVBE firms that are utilized as the agency's contractors or subcontractors.
- Report to the Office of Small Business and DVBE Services (OSDS) regarding any violation of this article.
- Coordinate with the state DVBE advocate at the Department of Veterans Affairs in an effort to meet the statewide 3 percent goal provided for in section 999 of the Military and Veterans Code.

In addition to the above program responsibilities, the DVBE advocate, Campus DVBE Coordinator, or designee has the following responsibilities:

- Determine if and when the level of DVBE participation for individual solicitation should be greater than 3%.
- Evaluate the participation compliance in proposals and bids, including verification of DVBE certifications.

- Determine if a commercially useful function (CUF) is being provided by all DVBE primes and subcontractors.
- Evaluate requests for DVBE waivers for solicitations.

The DVBE participation requirement applies to all advertised competitive solicitations regardless of the solicitation format (RFQ, IFB, RFP) or dollar value. Bidders must document their compliance with the DVBE program requirements.

In the effort to reach or exceed the annual DVBE goal, campuses may specify an amount of DVBE participation greater than 3% for an individual solicitation.

If 1) the DVBE requirement is waived, or 2) the DVBE requirement is reduced, or 3) the incentive or other portion of the standard DVBE solicitation requirement is not included in a bid, then a completed and approved waiver form shall be included in the solicitation file, justifying the change.

400 DVBE Incentive

The DVBE Incentive is required as part of the standard DVBE solicitation language unless waived. Bidders may receive an incentive for exceeding the 3% participation requirement. Campuses have the ability to determine the level of DVBE incentive they will offer for corresponding levels of participation, i.e., the more DVBE participation they propose, the higher the incentive. This information must be included in the solicitation. The minimum incentive level a qualifying bidder can receive is 1%. The combination of all preferences (i.e., TACPA, SB, Recycled Products) with a DVBE incentive cannot exceed 10% or \$100,000, whichever is less. A non-small business cannot displace a California certified small business from the top-ranked position because of application of the above preferences or DVBE incentive.

The DVBE incentive is a method that provides an advantage to certain bidders. The incentive is applied during the evaluation process for bids proposing participation of California certified DVBEs. The application of an incentive varies from that of a preference both in when it is incorporated into competitive solicitations and how incentive percentages are determined and calculated. Unlike preferences in which the inclusion is standardized in competitive solicitations and a standard percentage is stipulated, discretion is left to campuses to determine incentive percentages for a particular transaction based upon a business strategy to achieve their overall annual goal.

500 SB/DVBE Option

A campus may award a contract for the acquisition of goods, services or information technology that has an estimated value of less than \$250,000, without advertising, to a certified small business or disabled veteran business enterprise, as long as the campus obtains price quotations from two or more certified small business or two or more disabled veteran business enterprises as referenced in Government Code Section 14838.5.

For construction contracts, as covered in ICSUAM 9000, campuses may award a contract that has an estimated value of less than \$270,000, the cost limit as identified in Public Contract Code Section 10105, without advertising, to a certified small business, including a micro-business, or to a disabled veteran business enterprise, as long as written bids are obtained from two or more certified small businesses, including micro-businesses, or from two or more disabled veteran business enterprises. In implementing this provision, the Trustees shall consider a responsive offer timely received from a responsible certified small business, including a micro-business, or from a disabled veteran business enterprise as referenced in Government Code Section 14838.7 (The high-end cost limits as identified above are periodically adjusted by the CA Dept. of Finance.)

Campuses shall include a justification in the solicitation file whenever the DVBE requirement or incentive is waived or reduced.

600 Reporting

Activity reports shall be prepared and submitted annually by each campus to the Department of General Services. A copy of activity reports shall be sent to the Chancellor's Office, Department of Contract Services and Procurement in order to consolidate activity for the CSU system. Campuses shall submit reports in accordance with due dates specified at <http://www.calstate.edu/CSP/reports.shtml>.