

ATTACHMENT 3.1

CERTIFIED SMALL/MICRO BUSINESS, NON-SMALL BUSINESS AND DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) INSTRUCTIONS AND INFORMATION

The Office of Small Business and DVBE Services (OSDS) offer program information and may be reached at:

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CERTIFIED SMALL/MICRO BUSINESS AND NON-SMALL BUSINESS INFORMATION

In order to receive Small/Micro Business or Non-Small Business Preference, Bidders must be certified by the State Department of General Services, Office of Small Business and DVBE Services (OSDS) as a small/micro business.

Definition

- A. Small business means a business certified by the Office of Small Business Disabled Veteran Services (OSDS) in which:
1. The principal office is located in California.
 2. The owners or officers are domiciled in California.
 3. The business is independently owned and operated.
 4. The business, with any affiliates, is not dominant in its field of operation.
 5. And either:
 - a. The business, together with any affiliates, has 100 or fewer employees and average annual gross receipts of \$14,000,000 (14 million) or less over the previous three tax years, or
 - b. The business is a manufacturer with 100 or fewer employees.

OR

Bidders who qualify as a Non Profit Veteran Agency (NVSA) can be certified as a small business and are entitled to the same benefits as a small business. A NVSA means an entity that:

1. Is a community-based organization,
2. Is a nonprofit corporation (under Section 501(c)(3) of the Internal Revenue Code), and
3. Provides housing, substance abuse, case management, and employment training services (as its principal purpose) for:
 - low income veterans,
 - disabled veterans, or
 - homeless veterans
 - and their families

B. Microbusiness means a small business certified by OSDS in which:

1. The principal office is located in California.
2. The owners or officers are domiciled in California.
3. The business is independently owned and operated.
4. The business, with any affiliates, is not dominant in its field of operation.
5. And either:
 - a. The business, together with any affiliates, averages annual gross receipts of \$3,500,000 (3.5 million) or less over the previous three years, or
 - b. The business is a manufacturer with 25 or fewer employees.

C. Commercially Useful Function for Small Business

A certified small business or microbusiness shall provide goods or services that contribute to the fulfillment of the contract requirements by performing a “commercially useful function” defined as follows: 1) is responsible for the execution of a distinct element of the work of the contract; 2) carries out its obligation by actually performing, managing or supervising the work involved; 3) performs work that is normal for its business services and functions; and 4) is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices. A small or microbusiness contractor, subcontractor or supplier is not performing a “commercially useful function” if its role is limited to that of an extra participant in a transaction, contract or project through which funds are passed in order to obtain the appearance of small business or microbusiness participation. (Government Code Section 14737(d)(4); Military & Veterans Code section 999(e)(2); Title 2 California Code of Regulations section 1896.61(l)).

D. Eligibility

A business must be formally certified by OSDS to receive the small business or microbusiness preference.

E. Benefits of Certification

A certified small business or microbusiness is entitled to claim a five percent preference in bidding on state contracts. Bidder will receive a preference of 5 five percent (5%) of the highest responsive, responsible bidder’s total score. Certified small business or microbusinesses are also entitled to interest penalties paid by the state for late payment of invoices. The penalties are greater for certified small business or microbusinesses than for non-certified businesses.

F. Non-Small Business Preference Program

The preference to a non-small business bidder that commits to small business or microbusiness subcontractor participation of twenty-five percent (25%) of its net bid price shall be five percent (5%) of the highest responsive, responsible bidder’s total score. A non-small business which qualifies for this preference may not take an award away from a certified small business. See Government Code section 14838 (b)(1)(2).

DVBE PARTICIPATION PROGRAM INFORMATION

The Disabled Veteran Business Enterprise (DVBE) Program has two inter-related aspects:

Participation Goals: The mandatory DVBE Participation Program of achieving participation goals by attaining the minimum 3% goal.

and

Incentive: The DVBE Incentive Program gives a contractor an opportunity to improve their bid status based on the efforts attained from the DVBE Participation Program.

This IFB is subject to a participation goal of three percent (3%) certified California Disabled Veteran Business Enterprise (DVBE) as set forth in Public Contract Code Section 10115 et seq.

If for this solicitation Bidder made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then the contractor must within 60 days of receiving final payment under the resulting agreement (or within such other time period as may be specified elsewhere in the agreement) certify in a report to the awarding department: 1) the total amount the prime contractor received under the contract; 2) the name and address of the DVBE(s) that participated in the performance of the contract; 3) the amount each DVBE received from the prime contractor; 4) that all payments under the contract have been made to the DVBE(s); and 5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Military & Veterans Code (M&VC) § 999.5(d))

DVBE Definition

For DVBE certification purposes, a "disabled veteran" is:

- A veteran of the U.S. military, naval, or air service;
- The veteran must have a service-connected disability of at least 10% or more; and
- The veteran must be domiciled in California.

To be certified as a DVBE, your firm must meet the following requirements:

- Your business must be at least 51% owned by one or more disabled veterans;
- Your daily business operations must be managed and controlled by one or more disabled veterans
 - The disabled veteran who manages and controls the business is not required to be an owner of the applicant business; and
- Your home office must be located in the U.S. (the home office cannot be a branch or subsidiary of a foreign corporation, foreign firm, or other foreign based business).
- DVBE limited liability companies must be wholly owned by one or more disabled veterans.

DVBE ELIGIBILITY

Each DVBE firm listed on the Bidder Declaration form must be formally certified as a DVBE by Office of Small Business and DVBE Services (OSDS). The DVBE program is not a self-certification program. Bidder must have submitted application to OSDS for DVBE certification by the bid due date to be counted in meeting participation goals.

DVBE INCENTIVE PROGRAM

The DVBE Incentive program was established pursuant to Military & Veterans Code Section 999.5(2) and Department of General Services' Regulations 2 CCR 1896.98 et.seq. The information below explains how the incentive is applied and how much of an incentive will be given.

Incentive Application:

Award Based on High Score: The incentive is applied by adding the incentive points to the Proposal score for Proposers that include more than 3% DVBE participation (see "Incentive Amount" below). Incentive points cannot be used to achieve any applicable minimum point requirements. The DVBE incentive is only applied during the proposal evaluation process and only to responsive proposals from responsible Proposers.

The incentive amount for awards based on high score will vary in conjunction with the percentage of DVBE participation. The DVBE Incentive Program may be used in conjunction with the Small Business preference which gives a 5% preference to small business proposers or 5% to non-small business proposers committed to subcontracting 25% of the overall Bid with small businesses.

Incentive Amount

This table expressly replaces the DVBE incentive table referenced in Attachment 3.2. Maximum points possible 660.

Proposed DVBE Participation Level	DVBE Incentive % Point Preference	DVBE Incentive Points
3.01% - 4.99%	1%	10 7
5%+	2%	20 13

*The percentage is based on total possible available points, not including preference points for small / micro business, non-small business, TACPA, EZA or LAMBRA.