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**DVBE Instructions / Forms**


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**Disabled Veteran Business Enterprise Participation (DVBE) Information**
**DVBE Definition  
(for this  
document only)**

- A California firm whose ownership, daily management, and operational controls meets all statutory DVBE certification requirements, as documented by the possession of a certification letter issued by the Department of General Services, Office of Small Business and DVBE Services [OSDS] (hereafter referred to as DGS).

**California  
Requirements**

- The State of California requires a three percent (3%) participation level in state contracts to further disabled veteran business enterprise (DVBE) participation in California.
- Only DVBEs, possessing a current DVBE certification issued by DGS, may be claimed for participation.
- Effective January 1, 2004, legislation was enacted to require all small businesses, microbusinesses, and disabled veteran business enterprises to perform a “commercially useful function” in any contract they perform for the State.

A business that is performing a commercially useful function is one that does all of the following:

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 function.
4. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

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**DHCS Rights /  
Requirements**

- Unless DVBE participation is waived by the Department of Health Care Services (DHCS) for this procurement, a minimum amount of DVBE participation is required for all service contracts that total \$10,000 or more. The applicable DVBE participation percentage or amount is specified in the solicitation (i.e., RFP or IFB).
- DHCS reserves the right to exempt any contract or solicitation from DVBE participation when it is determined to be in the Department’s best interest to do so.

**For DVBE  
answers or  
help, dial:**
**(916) 650-0205**

- DHCS reserves the right to waive or alter DVBE participation requirements at any time prior to the bid/proposal submission deadline. Said waivers/alterations may be announced by way of verbal communication followed by written confirmation, by fax, email, written correction notice, administrative bulletin, or solicitation addendum.
- DHCS reserves the right to contact bidders/proposers during the bidding/evaluation process to collect clarifying information or to request corrections, as necessary, to DVBE documentation.
- **The instructions herein must be strictly followed.** Failure to do so may be grounds for bid/proposal disqualification.
- **Dial (916) 650-0205, if you have a question or need assistance.**

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**DVBE  
Participation  
Requirements  
of this  
Solicitation**

- Each prime contractor must achieve the percentage of DVBE participation specified in the solicitation (i.e., RFP or IFB).
- Firms submitting bid responses with less than the required DVBE participation percentage will be deemed nonresponsive and ineligible to receive a contract award.

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## DVBE Instructions

### DVBE Participation Requirements of this Solicitation (Continued)

- If, for the resulting contract the chosen contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then the Contractor must within 60 days of receiving final payment under the contract (or within such other time period as may be specified elsewhere in the agreement) certify in a report to DHCS' funding Program: (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 Section 999.5(d)].

### How to Calculate Participation

Unless instructed otherwise in the solicitation, first determine the total dollar value/amount that will be bid, then multiply this figure by the specified DVBE participation percentage indicated in the solicitation to determine how much of the contract budget must be expended on DVBE supplied services, labor, supplies, materials, or equipment.

### How to Meet Participation Requirements

1. **If the prime contractor IS a DVBE**, it must commit to use its own workforce alone or in combination with other DVBEs to perform commercially useful functions equal to no less than the required percentage of the contract bid amount as specified in the solicitation. If this fits the bidding firm's situation, do the following:

Go to page 5. On the form entitled "**DVBE Participation**", list the bidding firm's name, the name of other participating DVBEs, complete all items, and attach a copy of the DVBE certification issued by DGS for the bidding firm and all other participating DVBEs.

OR

2. **If the prime contractor IS NOT a DVBE**, it must commit to use or subcontract out an amount equal to the required percentage specified in the solicitation to qualified DVBE service providers and/or DVBE suppliers that will perform a commercially useful function. If this fits the bidding firm's situation, do the following:

Go to page 5. On the form entitled "**DVBE Participation**", list each DVBE subcontractor, complete all items, and attach a copy of the DGS issued DVBE certification for each listed DVBE subcontractor.

*Start right away, do not delay.*

### Requests to Modify the DVBE Participation Goal

Prospective bidding firms may inquire about a modification to the DVBE participation percentage stated in a DHCS solicitation or may inquire about DHCS granting a waiver from DVBE requirements in a solicitation by submitting a formal written request to the DHCS Program that issued the solicitation. DHCS contact information appears in the Questions section of the solicitation.

Submission of an inquiry seeking a modification to the DVBE participation percentage or a waiver of DVBE requirements for a DHCS solicitation does not ensure approval. DHCS will consider all timely inquiries received and may, in its sole discretion, opt to alter for all bidding firms the DVBE participation percentage or grant a waiver from DVBE requirements specified in a specific solicitation. A prospective bidding firm may not appeal or protest any DHCS decision related to the alteration or waiver of DVBE participation requirements.

1. Written inquiries seeking a modification or waiver to DVBE participation requirements must be received no later than twenty calendar days prior to the bid/proposal submission deadline. An alteration of this deadline may be announced to prospective bidding firms via an Administrative Bulletin, solicitation addendum or other method.
2. Written inquiries must identify the revised DVBE participation percentage sought or must indicate the inquiry is seeking a waiver from DVBE requirements for the procurement.

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## DVBE Instructions

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### Requests to Modify the DVBE Participation Goal (Continued)

3. Written inquiries seeking a reduced DVBE participation percentage or waiver from DVBE requirements must be accompanied by adequate written substantiation supporting the request. Written substantiation may include, but not be limited to the following types of documentation:
    - a. Proof of unsuccessful search attempts of the Department of General Services' (DGS) DVBE database to identify certified DVBEs to perform any commercially useful functions of the services sought by DHCS;
    - b. Evidence of DVBE disinterest (i.e., DVBEs identified in DGS' database express in writing their disinterest in a subcontract offer or fail/refuse to respond to contacts regarding subcontract offers);
    - c. Evidence of DVBE inability to perform commercially useful functions of the contracted services (i.e., contacted DVBEs express in writing their inability to perform any contracted services);
    - d. Evidence of DVBE unavailability (i.e., qualified DVBE firms express in writing their unavailability to perform subcontract work during the term of the agreement);
    - e. Other significant written evidence supporting the request.
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### Mandatory Use of Identified DVBEs and Substitution Requests

If awarded the contract, the Contractor must faithfully use each DVBE identified for use and listed on the form entitled "**DVBE Participation**". Exceptions are only allowed if the Contractor submits a Request for Substitution to the Contract Manager of the DHCS funding Program and the substitution request is subsequently approved by DHCS and the Department of General Services.

Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per Military and Veterans Code 999.5 (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.

Failure of the Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in M&VC § 999.9; Public Contract Code (PCC) § 10115.10, or PCC § 4110 (applies to public works only).

The contract terms containing substitution instructions will appear in either the "Special Terms and Conditions" or "Additional Provisions" exhibit in a clause entitled "Use of Disabled Veteran Business Enterprises". This exhibit is a part of the solicitation and may be incorporated by reference into to the resulting contract.

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### How to Locate potential DVBEs

This section is supplied as a guide to assist bidders to locate certified DVBE service providers and/or suppliers.

Access the list of all certified DVBEs by using the Dept. of General Services' Procurement Division (DGS-PD), online certified firm database at <http://www.bidsync.com/DPXBisCASB>.

To begin a search, locate the section entitled, "**Search for List of Certified Firms**".

Under **Certification Type**, check the box next to "**Disabled Veteran Business Enterprise**".

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## DVBE Instructions

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### How to Locate potential DVBEs (Continued)

Under **Business Type**, check “**service**”. Search by entering “**Keywords**” or “**United Nations Standard Products and Services Codes** (UNSPSC) that apply to the elements of work that is to be subcontracted to a DVBE.

It is optional to enter data in the other searchable fields including Zip Code, City, Service Area, etc. Narrow search criteria e.g., by City name will result in fewer positive search results. Consider contacting the Program that issued the solicitation to obtain suggestions for subcontractor search criteria.

As applicable, check for subcontractor ads that may have been placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. Follow DGS instructions at <http://www.dgs.ca.gov/pd/Programs/eprocure.aspx> to view current CSCR ads.

For questions about DGS’ online certified firm database and the CSCR, contact the Department of General Services Office of Small Business and DVBE Services (OSDS) at (916) 375-4940 or send an email to: [OSDSHelp@dgs.ca.gov](mailto:OSDSHelp@dgs.ca.gov).

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## DVBE Participation

All certified small business, micro business, or DVBE Contractors, subcontractor or suppliers must meet the commercially useful function requirements, under Government Code Section 14837(d)(4) (for SB) and Military and Veterans Code Section 999(b)(5)(b) (for DVBE).

Proposers are to complete this form and answer the following questions, as they apply to each DVBE subcontractor that will be used for the services and goods being acquired in this solicitation. Complete one form for each DVBE subcontractor.

Name of DVBE (as certified by DGS): \_\_\_\_\_

Mark all that apply:     DVBE     Small Business     Micro Business    Percent of DVBE Use Claimed: \_\_\_\_\_

1. Will the DVBE subcontractor be responsible for the execution of a distinct element of the services of the resulting contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Will the DVBE subcontractor be actually performing, managing, or supervising an element of the services of the resulting contract?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Will the DVBE subcontractor be performing work or supplying goods on the resulting contract that are normal for its business, services, and functions?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Will there be any further subcontracting by the DVBE subcontractor for the resulting contract that is greater than that expected to be subcontracted by normal industry practices?	<input type="checkbox"/> Yes <input type="checkbox"/> No

A "No" response to questions 1-3, or a response of "Yes" to question 4 may result in the Proposer's proposal being deemed non-responsive and ineligible for award.

The Proposer must identify below the specific elements of the service description (i.e., tasks, activities, or functions) that will be performed by the DVBE subcontractor identified above. If goods will be obtained, only list the specific goods that will be utilized solely to perform the services sought in this solicitation and identify the service elements, tasks, activities, or functions for which the identified goods will be used. At its option, DHCS reserves the right to request the submission of additional clarifying information.

An entry above imposes an obligation on the bidding firm to use the identified DVBE to perform commercially useful functions for the percentage claimed. The budget/cost work sheets, if required, and submitted in a bid response should include costs for the DVBE identified above.

***This form may be photocopied or reproduced in a like form for inclusion in a bid response.*** Bidding firms choosing to render a like copy of this form by computer or other means are advised to omit pages 1–4 that contain instructions. This form must be completed by the bidding firm.

Bidding Firm's Name	Signature
Printed Name/Title of Person Signing Above	Date Signed