

Preference Programs

The following Preference Programs can be applied for qualifying Proposers.

1. Disabled Veteran Business Enterprise (DVBE) Program Incentive

- a. The DVBE Program requirement for this solicitation has been waived; however, the DVBE Incentive still applies.
- b. DVBE Incentive
 - 1) In accordance with section 999.5(a) of the Military and Veterans Code, an incentive will be given to Proposers who exceed the DVBE program requirement. For evaluation purposes only, the State shall apply an incentive to PROPOSALS that propose California certified DVBE participation as identified on the Proposer Declaration GSPD-05-105 and confirmed by the State. The incentive amount for awards based on high score will vary in conjunction with the percentage of DVBE participation.
 - 2) The following incentive award will apply. Incentive points will be applied to the non-cost points section for evaluation purposes.

Confirmed DVBE Participation of:	DVBE Incentive
5% or Over	5%
2% to 2.99% Inclusive	3%
1% to 1.99% Inclusive	1%

- 3) For awards based on high score awards:
 - a) The incentive shall be between 1% and 5% of the total possible available points, not including points for socioeconomic incentives or preferences.
 - b) The incentive points are included in the sum of non-cost points.
 - c) The incentive points cannot be used to achieve any applicable minimum point regulations.
- 4) An explanation of the Disabled Veteran Enterprise Program (DVBE) Incentive can be found at the Internet web site <http://www.pd.dgs.ca.gov/dvbe/dvbeincentive>.
- 5) Regulations are located at 2 CCR §1896.99.100 et seq.

2. Commercially Useful Function

- a. Only State of California, Office of Small Business and DVBE Services certified DVBEs who perform a commercially useful function relevant to this solicitation, may be used to satisfy the DVBE program requirements. Proposers are to verify each DVBE subcontractor's certification with OSDS to ensure DVBE eligibility.
- b. Definition of Commercially Useful Function: California Code of Regulations, Title 2, § 1896.61(l) The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing a commercially useful function.

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- c. As defined in MVC §999, a person or an entity is deemed to perform a “commercially useful function” if a person or entity does all of the following:
 - 1) Is responsible for the execution of a distinct element of the work of the contract (including the supplying of services and goods.);
 - 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;
 - 4) Is responsible, with respect to products, inventories, materials and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable and making payment.
 - 5) Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.
 - a. A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor’s, subcontractor’s, or supplier’s 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 DVBE participation.
 - b. The CDPH Advocates listed herein can be contacted to provide assistance in identifying DBVE vendors that may perform a commercially useful function applicable to the scope of this solicitation.
3. Declaration Forms
- a. Complete the Proposer Declaration GSPD-05-105 and include it with the PROPOSAL response. When completing the declaration, Proposers must identify all subcontractors proposed for participation in the contract. Proposers awarded a contract are contractually obligated to use the subcontractors for the corresponding work identified unless the State agrees to a substitution and it is incorporated by amendment to the contract. This form is located at <https://www.documents.dgs.ca.gov/dgs/fmc/gspd/gspd05-105.pdf>
 - b. If applicable, Proposers who have been certified by California as a DVBE (or who are proposing rental equipment and have obtained the participation of subcontractors certified by California as a DVBE) must also submit a completed DVBE Declarations form(s) DGS PD 843 (formerly STD. 843). All disabled veteran owners and disabled veteran managers of the DVBE(s) must sign the form(s). This form is located at https://www.documents.dgs.ca.gov/dgs/fmc/gspd/pd_843.pdf
4. At the State’s option prior to award, Proposers may be required to submit additional written clarifying information. Failure to submit the requested written information as specified may be grounds for PROPOSAL rejection.

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5. CDPH Advocate

- a. CDPH Small Business and DVBE Advocates are available to answer questions regarding the SB/DVBE Programs and Incentives and to help identify possible SB/DVBE vendors. If you need additional information contact:

Sabel Davis, CDPH Advocate
(916) 650-0134 / Sabel.Davis@cdph.ca.gov

6. Small Business PROPOSAL Preference

- a. Certified small businesses or microbusinesses can claim the 5% preference when submitting a PROPOSAL on a State contract. A non-small business may receive a preference of 5% if the business commits to subcontract at least 25% of its net PROPOSAL price with one or more small businesses or microbusinesses. The 5% preference is used only for computation purposes, to determine the winning proposer and does not alter the amounts of the resulting contract. The preference is will be given to the highest responsive responsible bidder's total score. A contract awarded based on the 5% preference is awarded to the small business, microbusiness or non-small business for the actual amount of its PROPOSAL. A non-small business, which qualifies of this preference, may not take an award from a certified small business. See optional Appendix 16: *Non-Small Business Subcontractor Preference Instructions*. For additional information go to <https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Office-of-Small-Business-and-Disabled-Veteran-Business-Enterprise/Certification-Program>

7. See optional Appendix 15: *Commercially Useful Function Certification*.