Non-Small Business Subcontractor Preference Instructions

Preference information	Non-small business bidders will be granted up to a five percent (5%) non-small business subcontractor preference on a bid evaluation by an awarding department when a responsive non-small business has submitted the lowest priced responsive bid and when a non-small business bidder: 1. Has included in its bid a notification that it commits to subcontract at least twenty-five percent (25%) of its total bid price with one or more small businesses; and 2. Has submitted a timely, responsive bid; and 3. Is determined to be a responsible bidder; and 4. Lists the small businesses it commits to subcontract with for a commercially useful function in the performance of the resulting contract.
Commercially useful function	A subcontractor is deemed to perform a commercially useful function if the subcontractor does the following: 1. Is responsible for the execution of a distinct element of the contracted work; carrying out its obligation by actually performing, managing or supervising the work involved; and performing work that is normal for its business services and functions; and 2. Is not further subcontracting a greater portion of the work than would be expected by normal industry practices. 3. Is responsible, with respect to materials and supplies provided on the subcontract, for negotiating price, determining quality and quantity, ordering the material, installing (when applicable), and paying for the material itself. A subcontractor will not be considered as 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 achieve the appearance of participation.
How to calculate 25% subcontract participation	Unless otherwise instructed in the solicitation document, first determine the total dollar value or amount that will be bid for the entire contract term, then multiply this figure by 25% to determine how much of the bid price must be committed to small business subcontracts that will perform commercially useful functions including but not limited to things such as labor, supplies, materials, equipment, or support services.
Use of proposed subcontractors / substitution	If awarded the contract, the selected contractor must faithfully use each small business subcontractor proposed for use and identified in its preference request. No substitutions or alterations are allowed after a bid is submitted. Substitutions are only allowed after contract execution if the Contractor submits a Request for Substitution to the CDPH Program Contract Manager and that request is subsequently granted by CDPH. Small business subcontract substitution instructions will appear in the resulting contract in a clause entitled “Use of Small Business Subcontractors”.

Non-Small Business Subcontractor Preference Instructions (con'td)

Preference request instructions	If preference is claimed, indicate so on the Bid Form and complete Attachment 8a identifying each small business or microbusiness subcontractor that will be used. For each subcontractor identified on Attachment 8a, obtain a completed and signed Small Business Subcontractor/Supplier Acknowledgment (Attachment 8b). Affix each Attachment 8b to Attachment 8a for submission with the bid response. If a signed Attachment 8b cannot be collected from each subcontractor in time for bid submission, indicate why. Submission of a signed Attachment 8b for each subcontractor listed on Attachment 8a is a prerequisite for contract award confirmation. Identify only currently certified small business or microbusiness subcontractors, as active certification is required and certification possession will be verified. The detailed budget worksheets, if required to be submitted in a bid, must list each subcontract service provider and its respective dollar value as identified on Attachment 8a. All proposed subcontracted services must appear in the Scope of Work.

Non-Small Business Subcontractor Preference Request

List each certified small business or microbusiness that will be subcontracted with. To be granted a bidding preference, total small business or microbusiness subcontractor use must equal at least 25% of the total price or cost offered. Each named subcontractor must be actively certified as a small business or microbusiness by the bid submission due date and must acknowledge their participation as claimed herein via a Small Business Subcontractor/Supplier Acknowledgement (Attachment 8b). **Attach to this form an acknowledgement (Attachment 8b) signed by an authorized representative of each named subcontractor acknowledging their proposed use as described herein.**

Name of certified small business (or microbusiness) Subcontractor

Name of Subcontractor			
Street address	City	State	Zip Code
Contact Person	Telephone number ( )		
Small Business Certification No.	Certification exp. date	Participation dollar value $	Committed % of total bid %

Brief description of the commercially useful function(s) to be performed and/or provided:

Name of certified small business (or microbusiness) Subcontractor

Name of Subcontractor			
Street address	City	State	Zip Code
Contact Person	Telephone number ( )		
Small Business Certification No.	Certification exp. date	Participation dollar value $	Committed % of total bid %

Brief description of the commercially useful function(s) to be performed and/or provided:

Name of certified small business (or microbusiness) Subcontractor

Name of Subcontractor			
Street address	City	State	Zip Code
Contact Person	Telephone number ( )		
Small Business Certification	Certification exp. date	Participation dollar value $	Committed % of total bid %

Brief description of commercially useful function(s) to be provided

If necessary or desired, this form may be photocopied or reproduced in a like form for use in a bid response. If the bidding firm chooses to render a like copy by computer or other means, the instructions appearing on Attachment 7 may be omitted.

Small Business Subcontractor/Supplier Acknowledgement N/A

Name of Bidding Firm / Prime Contractor	CDPH IFB or RFP Number:
Total Dollar Value of Subcontractor Use	CDPH Bid Number:

This document confirms and acknowledges that the firm named below agreed to be identified by a bidding firm as a proposed small business or microbusiness subcontractor or supplier for a CDPH procurement.

Subcontractor acknowledgements:

A. The subcontracting firm named herein has committed to perform or provide services/labor or supplies equal to a percentage of the total bid/cost proposal price submitted by the bidding firm named above.

B. The subcontracting firm named herein acknowledges the total dollar value of claimed participation identified above.

C. The subcontracting firm named herein agrees to provide the following subcontracted services/labor or supplies under the resulting contract if the bidding firm named above receives the contract award:

   Below and/or continued on an attachment is a brief description of the commercially useful function(s) that the subcontractor/supplier identified herein will provide or supply:

The subcontracting firm named herein understands it is its sole responsibility to contact the bidding firm named above to learn if the Proposer was awarded the contract pursuant to the referenced bid number and to confirm its subcontract contract. If the bidding firm named above receives an award based in part on non-small business subcontractor preference incentive, the bidding firm/contractor is obligated to use each small and/or microbusiness subcontractor or supplier identified in its proposal unless a subcontractor substitution is requested after contract execution pursuant to Public Contract Code Section 4107 and Title 2 California Code of Regulations Section 1896.10.

The person signing below certifies the information supplied on this form is true and accurate to the best of its knowledge and agrees to allow the State to confirm this information, if deemed necessary.

Name of Proposed Subcontractor/Supplier		Date Signed
Signature of Subcontractor/Supplier Representative	Telephone number ( )	Email address (if applicable)
Printed/Typed Name	Title	