

Assist Small Businesses (SB) and Disabled Veteran Business Enterprises (DVBE) with state contracting

A resource for state employees and partners

CALIFORNIA DEPARTMENT OF GENERAL SERVICES



Office of Small Business
and Disabled Veteran
Business Enterprise Services

www.dgs.ca.gov/PD-SB-DVBE-Resources
BusinessOutreach@dgs.ca.gov

Benefits of becoming a California Certified SB, SB-PW, or DVBE

The state of California established the Small Business (SB), the Small Business for the Purpose of Public Works (SB-PW) and the Disabled Veteran Business Enterprise (DVBE) programs to increase business opportunities for those communities.

- The state gives a 5 percent bid preference to certified SBs bidding against non-SB firms and may also include in contracts a bidding incentive of up to 5 percent to DVBEs.
- Businesses with the state's certification are listed in Cal eProcure, the database that state agencies and other public agencies use to find certified businesses.
- California state agencies are required to award at least 25 percent of their annual contracting dollars to certified SBs/SB-PWs and 3 percent to DVBEs.
- The state has many acquisition methods besides publishing a competitive bid solicitation on Cal eProcure. One acquisition method – the “SB/DVBE Option” – was created specifically to help state agencies meet their contracting commitments to California-certified SBs and DVBEs. Under the SB/DVBE Option, all California state agencies and departments may contract directly with a California-certified SB or DVBE for goods and services valued between \$5,000.01–\$249,999.99 (or up to \$461,000 for public works contracts) after obtaining price quotes from at least two SBs or two DVBEs.
- California-certified SBs are eligible under the Prompt Payment Act for higher-interest penalties for late, undisputed invoice payments.
- Additional contracting opportunities may exist with local government entities and public utilities who recognize the state's SB or DVBE certifications. For a list of public entities that recognize the state's certifications, go to: **www.dgs.ca.gov/PD-Reciprocity**

Microbusiness

An SB will automatically be designated as a microbusiness (MB) if the GARs are \$6 million or less or the SB is a manufacturer with 25 or fewer employees.

Small Business (SB) Eligibility Requirements

To be eligible for SB certification, businesses must meet the following criteria:

- Independently owned and operated
- Not dominant in its field of operation
- Principal office located in California
- Owners (or officers in the case of a corporation) domiciled in California and together with affiliates, be either:
 - a business with average GARs of \$18 million or less over the three most recent tax years and 100 or fewer employees
 - or**
 - a manufacturer with 100 or fewer employees (GARs not required)

Small Business for the Purpose of Public Works (SB-PW) Eligibility Requirements

Businesses that work in the Public Works field and who have outgrown the requirements of the SB certification may qualify for the SB-PW certification. The SB-PW certification expands who may count as a small business for public works contracts.

Public works contracts include construction and repair of any public structures or other public improvements, as defined in Sections 1101 and 4525 of the Public Contract Code. Businesses with the SB-PW certification must have 200 or fewer employees (instead of 100 or fewer), and GARs of \$43 million or less (instead of \$18 million or less).

It is not necessary for a business with the state of California's SB certification to apply for the SB-PW certification to qualify as a small business in public works or other contracts.

The eligibility requirements for the SB-PW certification are:

- Independently owned and operated
- Not dominant in its field of operation
- Principal office located in California
- Owners (or officers in the case of a corporation) domiciled in California
- Including affiliates, have GARs of \$43 million or less over the three most recent tax years and 200 or fewer employees

While registering with the Department of Industrial Relations (DIR) is not a requirement for the SB-PW certification, awarding departments have the responsibility to ensure that all contractors, including small businesses, register with DIR for qualifying public works projects. For more information about registering with DIR, go to: www.dir.ca.gov/Public-Works/PublicWorks.html

Disabled Veteran Business Enterprise (DVBE) Eligibility Requirements

The state's DVBE program requires all state agencies to spend at least 3 percent of their contracting dollars with certified DVBEs.

The eligibility requirements for the DVBE certification are:

- Disabled veterans must have a service-connected disability of at least 10 percent declared by the United States Department of Veterans Affairs or the United States Department of Defense.
- The firm must be at least 51 percent owned by one or more disabled veterans, except in the case of a Limited Liability Company (LLC). LLCs must be wholly owned by one or more disabled veterans.
- The disabled veteran(s) who owns and manages and controls the firm must be domiciled in California.
- Daily business operations must be managed and controlled by one or more disabled veterans. The disabled veteran(s) who manages and controls the business is not required to be the disabled veteran business owner(s).
- Principal office must be located in the United States and cannot be a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
- Disabled veterans must have an established business that is operational and active prior to submission of an application.

Certifications are typically issued for two years. All certified firms are subject to periodic reviews. Businesses may apply for renewal of their certification at www.caleprocure.ca.gov. If an applicant has a bidding opportunity, a request may be made for their application to be expedited. Instructions can be found at www.dgs.ca.gov/PD-Certification.

How to Apply for Certification

- » Go to www.caleprocure.ca.gov
- » Log in to your account
- » Click **Small Business / Disabled Veteran Business Enterprise**
- » Click **Get Certified**
- » Select the certification(s) you are applying for and click **Next**
- » Make sure you have the required documents before continuing

For more certification information, go to:
www.dgs.ca.gov/PD-Certification



For questions about certification:

OSDSHelp@dgs.ca.gov | (916) 375-4940

Selling to the state of California



Cal eProcure is the online portal to sell products and services to the state of California. On Cal eProcure, suppliers, buyers, and the general public can:

Apply for or renew certifications
Learn about upcoming business events
Place ads seeking subcontracting opportunities
Register as a Bidder
Review past purchases and contract awards by state departments
Search for certified suppliers
View solicitations from state agencies
View the state's current contracts (Leveraged Procurement Agreements)

How to Bid on State Work

Find bid solicitations on Cal eProcure

The California State Contracts Register (CSCR), hosted on Cal eProcure, lists bid solicitations from state agencies, including Requests For Information (RFIs) and Requests For Quotation (RFQs).

Post an ad for your business

Businesses can post ads on specific bid solicitations to partner with a prime or certified subcontractor.

SB/DVBE Advocates

Almost every agency and department in the state of California has a SB/DVBE Advocate. Businesses interested in contracting with a department should contact the SB/DVBE advocate with a capabilities statement, which the advocate can pass on their buyers. Issues with late payments should also be directed to the SB/DVBE advocate.

Office of Small Business and DVBE Services maintains a directory of all of the state's advocates, including their email addresses. Search for "Small Business (SB)/Disabled Veteran Business Enterprise (DVBE) Advocate Directory" at www.dgs.ca.gov/PD-Advocates.

Leveraged Procurement Agreements (LPAs) are standing contracts that allow departments to purchase a good or service directly under negotiated terms and pricing from suppliers. The state's LPAs are available for use by California's state, county, city, special district, education and other government sectors. Examples of LPAs include:

- **Food Contracts**
(e.g. supplying state institutions)
- **Master Service Agreements**
(e.g. paper shredding; Security Guard services)
- **Software Licensing Program**
(e.g. Adobe software; DocuSign software)
- **State Price Schedules**
(e.g. wildfire suppression equipment and services)
- **Statewide Commodity Contracts**
(e.g. office paper; vehicles)

Check out the full list of LPAs at:
www.dgs.ca.gov/PD-LPA

California Multiple Award Schedules Program

The California Multiple Awards Schedules (CMAS) Program is another type of LPA. DGS establishes agreements with businesses who offer products and/or services based on the terms of a current federal General Services Administration (GSA) multiple award schedule. A purchase using a CMAS contract may be awarded to multiple suppliers. CMAS agreements include a wide variety of commodities, non-IT services and IT products and services at prices which have been assessed to be fair, reasonable and competitive.

For more information about CMAS, go to:
www.dgs.ca.gov/PD-CMAS



For questions about CMAS:

cmas@dgs.ca.gov | (916) 375-4363

Tools and Resources

Brochures, videos, and other resources to help SBs and DVBEs can be found at www.dgs.ca.gov/PD-SB-DVBE-Resources and on caleprocure.ca.gov

For questions or assistance, email BusinessOutreach@dgs.ca.gov

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