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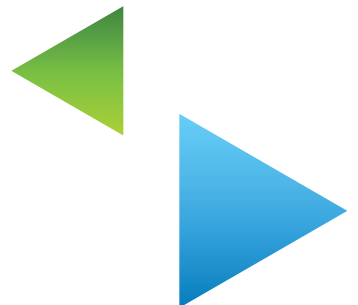
CALIFORNIA **Consolidated Annual Report**

Fiscal Year 2024-25

Prepared by:

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California Department of General Services

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I: Executive Summary

With this Statewide Consolidated Annual Report (CAR), the Department of General Services (DGS) is reporting the fiscal year 2024-25 contract dollars awarded by state departments toward the 25% Small Business (SB) including Microbusiness (Micro), and the 3% Disabled Veteran Business Enterprise (DVBE) participation goals in state procurement and contracting. As required by Public Contract Code (PCC) Section 10111, state departments must annually report to DGS the total awarded state dollars and SB/DVBE participation for Information Technology (IT), non-IT goods and services, and construction procurement contracts.

The CAR includes data from both mandatory and voluntary reporting departments. “Mandatory departments” are those either granted purchasing authority by DGS or under the California Governor’s authority and are required to report SB/DVBE participation each fiscal year. “Voluntary departments” include universities and other independent departments that are statutorily exempt from reporting but may elect to submit data. The 2024-25 CAR compiles data from the Financial Information System for California (FI\$Cal) for 152 mandatory departments and 31 voluntary departments. FI\$Cal is the California statewide financial system that enables the state to perform budgeting, procurement, cash management and accounting functions transparently and efficiently. For more information on which departments reported, please see [Reporting Agencies and Departments](#).

**The state exceeded
the SB and DVBE
participation goals
in 2024-25**



In 2024-25, the state's mandatory reporting departments – referred to as “the state” in this report – awarded a total of \$12.21 billion in contracts.

This is a slight decrease from the \$13.3 billion in awards for fiscal year 2023-24. Voluntary departments reported an additional \$2.83 billion in awards, a slight increase from the \$2.69 billion in 2023-24. This results in a total of \$15.04 billion awarded in CAR-reportable procurements statewide, lower than 2023-24's statewide awarded dollars by 6.23%. The decline in CAR-reportable spending only occurred for mandatory reporting departments and may be attributed, in part, to the ongoing budget deficit faced by the state.

The state exceeded the SB and DVBE participation goals, reaching 29.61% and 5.96%, respectively.

Of the \$12.21 billion awarded, \$3.62 billion was awarded to SBs, resulting in the state exceeding its SB participation goal at 29.61%. Over \$727.9 million went to DVBEs, which resulted in the state exceeding the DVBE participation goal at 5.96%.

Table 1 displays the participation percentages achieved by the state over the previous 10 years.

Table 1: 10-Year Certified Vendor Participation

Fiscal Year	SB Participation	DVBE Participation
2024-25	29.61%	5.96%
2023-24	26.58%	4.69%
2022-23	25.45%	5.38%
2021-22	24.82%	4.82%
2020-21	14.60%	2.45%
2019-20	23.70%	3.87%
2018-19	20.58%	3.23%
2017-18	32.50%	4.70%
2016-17	26.60%	4.10%
2015-16	36.08%	4.67%

Table 2 shows total mandatory (state) and voluntary departments' dollars awarded in millions and the SB/Micro and DVBE participation goals achieved. Goals that were met or exceeded are represented in green and goals that were unmet are represented in orange.

Table 2: SB/DVBE Award Dollars (in millions)* and SB/DVBE Participation

Departments	Total Contract Dollars	SB Dollars	SB Percent	DVBE Dollars	DVBE Percent
Mandatory (state)	\$12,211.9	\$3,616.4	29.61%	\$727.9	5.96%
Voluntary	\$2,828.7	\$371	13.12%	\$164.2	5.81%
Total	\$15,040.6	\$3,987.5	26.51%	\$892.1	5.93%

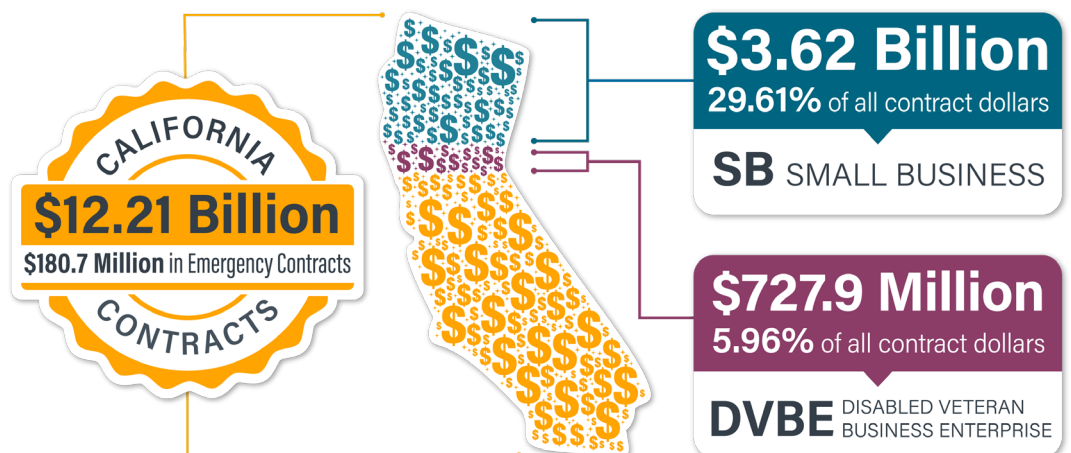
* Rounding may cause the totals in this table to vary slightly from the actual totals.

Together, mandatory and voluntary departments awarded \$15.04 billion, with \$3.99 billion (26.51%) in SB participation and \$892.1 million (5.93%) in DVBE participation, broken down as follows:

- One hundred fifty-two mandatory departments (state) awarded \$12.21 billion, with \$3.62 billion (29.61%) in SB participation and \$727.9 million (5.96%) in DVBE participation.
- Thirty-one voluntary departments awarded \$2.83 billion, with \$371 million (13.12%) in SB participation and \$164.2 million (5.81%) in DVBE participation.

For more detailed information about SB/DVBE participation in state contracting by mandatory and voluntary departments and by agencies, see [SB/DVBE Executive Summary: Participation in State Contracting](#).

Overview of 2024-25 mandatory department contracts



Although not to the same extent as during the previous three years, fiscal year 2024-25 was challenging due to declared emergencies that impacted California, including continuing work from the COVID-19 pandemic, statewide wildfires, avian flu, windstorms, and an earthquake. The Gold Complex and Park Fire emergency proclamation issued by Governor Newsom on July 22, 2024, the Los Angeles County Fires and Windstorm Event emergency proclamation issued on January 7, 2025, along with other fire-related emergency proclamations, directed state agencies to enter into contracts for the procurement of goods and services necessary to quickly assist with the response to and recovery from the impacts of the wildfire events. Applicable provisions from the Government Code and Public Contract Code, including travel, advertising and competitive bidding requirements, were suspended to the extent necessary to address the effects of wildfire events.

As shown in Table 3, mandatory departments awarded emergency procurements totaling \$180.7 million, about 1.48% of the total contracting dollars in 2024-25. Of the total emergency procurements, \$19.7 million (10.92%) were awarded to SBs, a lower amount when compared to the \$272.5 million awarded emergency dollars (31.14%) in 2023-24. DVBEs were awarded \$7.2 million (3.99%) in emergency procurements, a larger amount of the total emergency award when compared to \$308.9 thousand (0.04%) in 2023-24.

Table 3: Participation with and without Emergency Purchases
(state dollars in millions)*

State Awards	Total Contract Dollars	SB Dollars	SB Percent	DVBE Dollars	DVBE Percent
Total State Award	\$12,211.9	\$3,616.4	29.61%	\$727.9	5.96%
Without Emergencies	\$12,031.2	\$3,596.7	29.89%	\$720.7	5.99%
Emergencies Only	\$180.7	\$19.7	10.92%	\$7.2	3.99%

Source: 2024-25 CAR, CAR Data Validation Query (DVQ) and State Contract and Procurement Registration System (SCPRS) departments.

* Rounding may cause totals in this table to vary slightly from the actual totals. The dollars shown in Table 3 are comprised of emergency contracts and procurements resulting from Mission Tasks or Statewide Incidents assigned by the California Governor's Office of Emergency Services, such as the Gold Complex and Park Fire, Los Angeles County Fires and Windstorm Event and other natural disasters.

For more detailed information about emergency and non-emergency spending in state contracting, see: [Emergency and Non-Emergency Awards](#).

A: Changes from last year's report

The most significant changes in 2024-25 when compared to the 2023-24 CAR include:








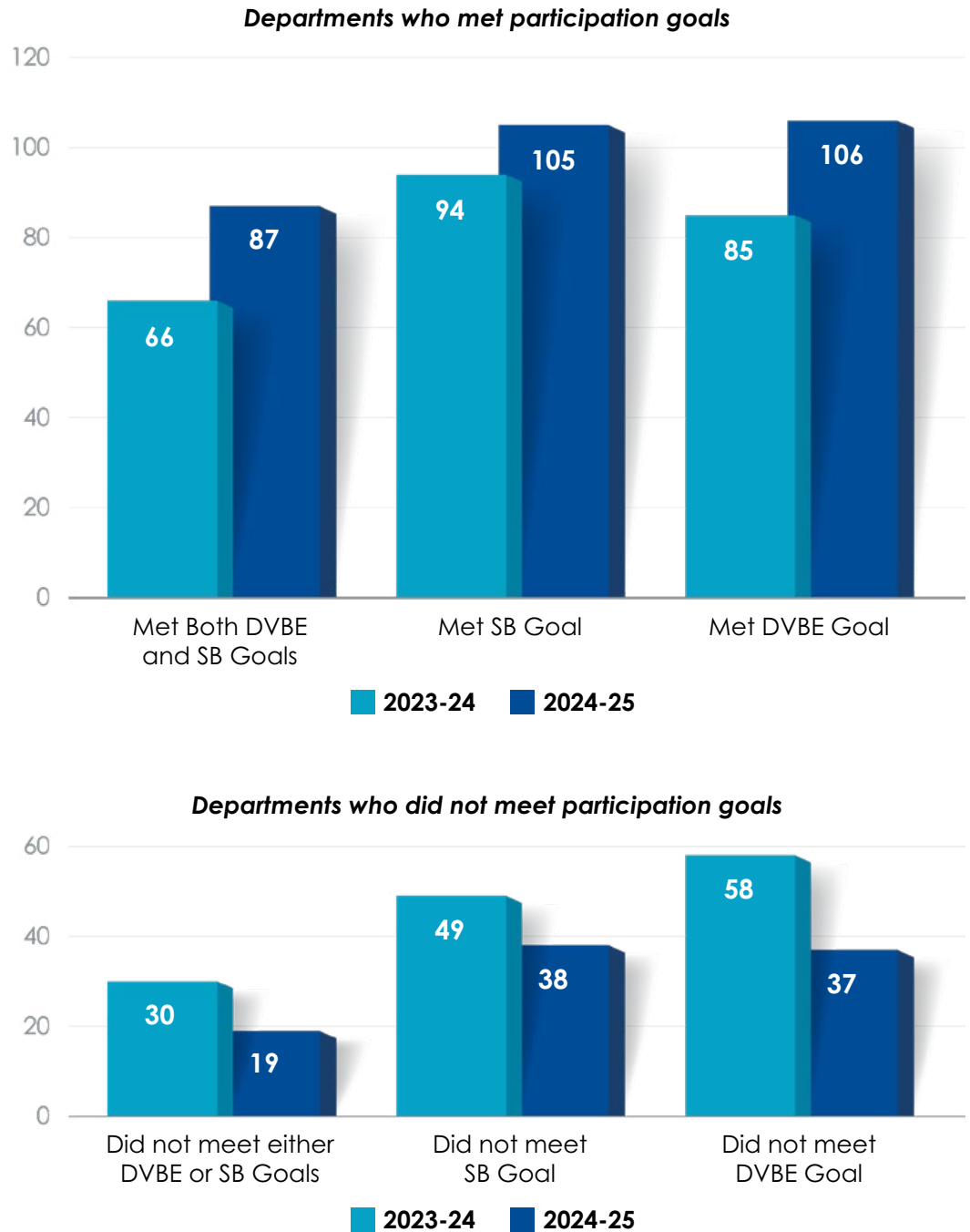
-  **The state awarded \$12.21 billion**, a decrease of \$1.14 billion (8.52%) when compared to \$13.35 billion awarded in 2023-24.
-  **SBs/Micros were awarded \$3.62 billion**, up from the prior year's \$3.55 billion, an increase of \$68 million (1.92%). Additionally, Micros were awarded 50,122 contracts or subcontracts, a higher number of contracts than the 29,399 awarded to SB non-Micros.
-  **SBs without the Micro designation (non-Micro) received the lesser share of the total SB/Micro dollars at \$1.77 billion (49.01%)**, down from the prior year's \$1.96 billion (55.1%). The average dollar amount per contract for SB non-Micros was \$60,409, while for Micros it was \$36,792.
-  **DVBEs were awarded \$727.9 million**, up from the prior year's \$625.8 million by \$102.1 million (16.3%) in 55,983 contracts or subcontracts, averaging \$13,003 per contract.
-  **Emergency procurement awards totaled \$180.7 million**, a considerable decrease of \$694.2 million (79.35%) when compared to \$874.9 million awarded in emergency procurements in 2023-24. Emergency procurement dollars represented 1.48% of the total awarded dollars for the year, compared to 6.55% in 2023-24. SB participation in emergency procurements decreased to 10.92% and DVBE participation increased to 3.99%, when compared to last year's 31.14% in SB and 0.04% in DVBE participation.
-  **Voluntary department awards increased 4.96% in 2024-25 to \$2.83 billion**, from \$2.69 billion in 2023-24. SBs/Micros received \$371 million, \$31.5 million (9.27%) more than in 2023-24, and DVBEs received \$164.2 million, \$46.8 million (39.82%) more than in 2023-24.
-  **Overall, mandatory and voluntary departments awarded \$15.04 billion in contract dollars during 2024-25**, which was a decrease of \$1 billion, or 6.25%, when compared to the total mandatory and voluntary department awards in 2023-24. Even though the total award for the state decreased, awards to SBs/Micros and DVBEs increased by \$31.5 million (0.81%) and \$46.8 million (6.29%), respectively.

Figure 1 below displays the count of the 152 mandatory reporting departments that met both goals (SB and DVBE), the count of those departments that met one of the goals, and the count of those departments that did not meet the goals.

Figure 1: Count of Departments by Achieved Participation Goals



Top Five Spend Departments Driving State Awards and SB/DVBE Participation

Table 4 lists the top five spend departments, which together awarded \$6.7 billion, accounting for over half of the total \$12.21 billion in contract dollars awarded by the state. In comparison, this is \$1.01 billion less than last year, when the top five spending departments cumulatively awarded nearly \$7.71 billion of the total \$13.35 billion in contract dollars awarded.

Two of the five departments, the Department of Forestry and Fire Protection (CAL FIRE) and the Department of Water Resources (DWR), achieved both participation goals for 2024-25. Three departments met their SB participation goals, and four departments met their DVBE participation goals.

Table 4: Top Five Mandatory Department Dollars Awarded for Fiscal Year 2024-25

Departments	Contract Dollars	SB %	DVBE %
Department of Transportation	\$2,293,330,818.79	38.86%	2.52%
Department of Corrections and Rehabilitation	\$1,489,573,301.25	21.19%	6.56%
Department of Forestry and Fire Protection	\$1,186,541,249.52	29.69%	7.54%
Department of Water Resources	\$940,730,427.47	26.74%	5.96%
Department of State Hospitals	\$793,592,492.30	22.74%	4.92%
Total for Top Five Departments	\$6,703,768,289.33		

For details on departments' challenges to achieving the participation goals, see [Section II: SB/Micro Participation](#).

For information on DGS' efforts to increase SB/DVBE participation on all state contracts, see Section II of this report, [What Does DGS Do to Help with SB/DVBE Participation?](#)

Two of the top five departments met both participation goals.

Three met the SB goal and four met the DVBE goal.



B: Structure of This Report

This report is structured in 10 sections:

- Section I** Executive Summary
- Section II** SB Participation: The State Exceeded the SB Participation Goal
- Section III** DVBE Participation: The State Exceeded the DVBE Participation Goal
- Section IV** Consulting Services Contracting Activity
- Section V** Promoting State Contracting with SB/DVBE: the SB Option, the DVBE Option and the DVBE Incentive
- Section VI** The Infrastructure Bond Acts of 2006 and Infrastructure Investment and Jobs Act of 2023
- Section VII** Ethnicity, Race, Gender, and Sexual Orientation
- Section VIII** What Does DGS Do to Help with SB/DVBE Participation?
- Section IX** Glossary
- Section X** Data Table Exhibits

About: [How to use the Consolidated Annual Report Dashboard](#)

II: SB/Micro Participation: The State Exceeded the SB Participation Goal

A. SB/Micro Department Participation Data

In 2024-25, the state awarded a total of \$12.21 billion contract dollars, of which \$3.62 billion went to SBs/Micros through prime contracts or subcontracts, exceeding the SB participation goal at 29.61%, the highest percentage reached since the 2017-18 fiscal year.

Table 5 shows total contract award dollars and resulting SB participation by mandatory and voluntary departments. In 2024-25, the total awarded state dollars by mandatory departments decreased by \$1.14 billion (8.52%) but, despite that, the SB participation dollars increased by \$67.8 million (1.91%) when compared to 2023-24.

Table 5: SB/Micro Contracts by Department Type (state dollars in millions)*

Departments	Contract Dollars	SB/Micro Dollars	SB/Micro Percent	SB/Micro Contracts
Mandatory (state)	\$12,211.9	\$3,616.4	29.61%	79,461
Voluntary	\$2,828.7	\$371	13.12%	6,238
Total	\$15,040.6	\$3,987.5	26.51%	85,699

* Rounding may cause the totals in this table to vary slightly from the actual totals.

Figure 2 below shows three-year total contract awards, SB participation and emergency dollars for mandatory departments. In 2024-25, emergency dollars reached \$180.7 million, \$694.2 million less than last year's \$874.9 million. The dollar amount awarded to SBs/Micros fell short of the three-year average of \$3.77 billion in 2024-25.

Figure 2: Three-Year Emergency Dollars and SB/Micro Participation for Mandatory Departments in Total Awarded Dollars (in billions)

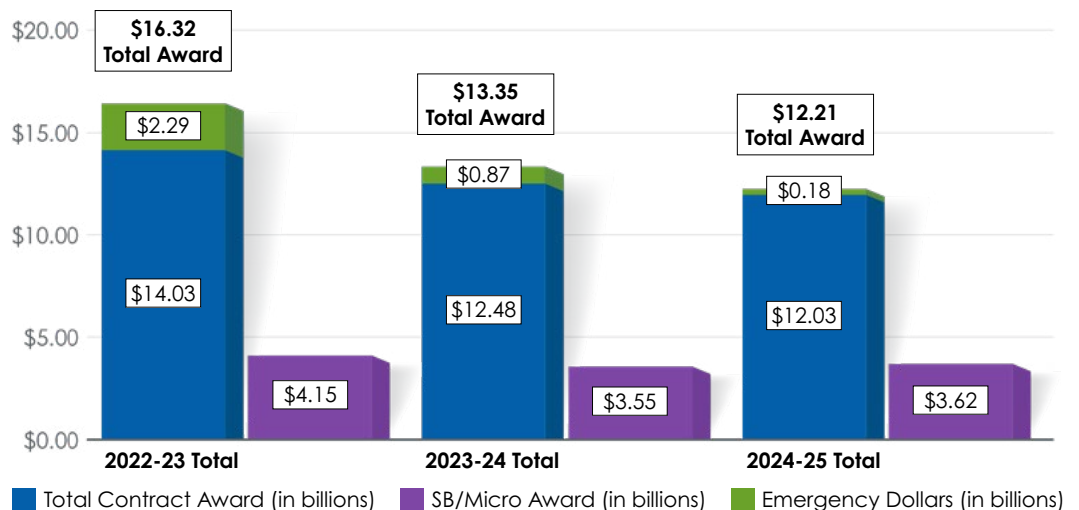


Table 6 below shows the top five spending departments by awarded state dollars, as reported. The state's five top-spending departments cumulatively awarded \$6.7 billion (54.9%) of the total \$12.21 billion awarded by the state. Three of the top five spending mandatory departments—Caltrans, CAL FIRE and DWR—met the SB participation goal, while the Department of Corrections and Rehabilitation (CDCR) and the Department of State Hospitals (DSH) did not meet the goal.

Table 6: 2024-25 SB Participation of Top Five Total Spending Mandatory Departments

Departments	Contract Dollars	SB Dollars	SB %
Department of Transportation	\$2,293,330,818.79	\$891,183,721.66	38.86%
Department of Corrections and Rehabilitation	\$1,489,573,301.25	\$315,676,320.91	21.19%
Department of Forestry and Fire Protection	\$1,186,541,249.52	\$352,332,592.46	29.69%
Department of Water Resources	\$940,730,427.47	\$251,533,812.94	26.74%
Department of State Hospitals	\$793,592,492.30	\$180,478,228.57	22.74%
Total for Top Five Departments	\$6,703,768,289.33	\$1,991,204,676.53	

Percentages in bold, green color indicate that the SB participation goal was exceeded.

Similar to fiscal year 2023-24, for those top five departments that did not meet the overall goal, specialized equipment, resources, skills, knowledge and maintenance for departments' unique programs had a significant impact on the types of procurements awarded as described in the improvement plans highlighted below:

- CDCR – “Male Community Reentry Programs (MCRP) had five contracts for \$194,115,178.32 ... These services have specialized requirements and the changes with AB 135 pose a significant challenge to find SBs/MBs to award these critical contracts to. These five contracts totaled \$194,115,178.32, which significantly impacts CDCR's ability to meet SB/MB/DVBE percentages.”
– from CDCR's 2024-25 Improvement Plan.
- DSH – “DSH is responsible for the daily care and provision of mental health treatment of its patients at five state hospitals located in Atascadero, Coalinga, Metropolitan (Los Angeles), Napa and Patton ... In addition, DSH is mandated to participate in the Statewide Pharmaceutical Program, which offers no option to contract with SB or DVBE suppliers. The department's purchases from Amerisource Bergen totaled \$62,173,315.40, or 7.83% of the total spend for FY 24/25 ...”
– from DSH's 2024-25 Improvement Plan.

B. SB/Micro Contracting Dollars by Contracting Activity

Information on the distribution of total contract awards and SB/Micro dollars by contracting activity is instrumental in understanding how the state succeeded in meeting the overall 25% SB participation goal.

Table 7 below lists dollars awarded in 2024-25 in total, and to SBs/Micros, by contracting activity, summarized as follows:

- Non-IT Services (non-Construction) accounted for the top dollars awarded with \$5.99 billion, 17.39% lower than the prior year's \$7.25 billion, and reached 27.37% in SB participation.
- IT Goods and Services had the second-highest dollar amount awarded at \$3.05 billion, 14.38% higher than the prior year's \$2.66 billion, and reached 28.26% in SB participation.
- Non-IT Goods followed with \$1.76 billion awarded, 10.03% higher than the prior year's \$1.6 billion, and reached 30.22% in SB participation.
- Construction followed with \$1.34 billion awarded, 23.32% lower than the prior year's \$1.75 billion and reached 42.36% in SB participation – the highest participation percentage of the contracting activities.

Compared to 2023-24, in 2024-25 the total SB/Micro awarded dollars increased in all contracting activities except in Construction, where there was a decrease of \$66.96 million (10.52%). SB/Micro dollars increased the most in IT Goods and Services by \$89.6 million (11.62%), followed by Non-IT Services with a \$46.7 million increase (2.93%). Non-IT Goods experienced a \$2.9 million (0.54%) increase. Additionally, the state exceeded the SB goal in every category, whereas in 2023-24, the state did not meet the SB goal for Non-IT Services.

Table 7: Awards and SB Participation by Contracting Activity (dollars in millions)*

Contracting Activity	Total Contract Dollars	Percent of Total Contract Dollars	SB/Micro Dollars	SB/Micro Percent
Services (Non-IT)	\$5,992.7	49.07%	\$1,640.5	30.22%
IT (Goods and Services)	\$3,045.3	24.94%	\$860.7	27.37%
Goods (Non-IT)	\$1,763.8	14.44%	\$532.9	28.26%
Construction	\$1,343.7	11%	\$569.2	42.36%
CAL-Card**	\$66.4	0.54%	\$13.0	19.63%
Total	\$12,211.9	100%	\$3,616.4	29.61%

* Rounding may cause the totals in this table to vary slightly from the actual totals.

** In addition to the awards made in the four reporting categories above, FISCAL captures procurement transactions paid with CAL-Card that are not reported anywhere else, including small transactions under \$2,500 that do not require purchase orders. The total amount of such transactions was \$66.4 million in 2024-25, of which \$13 million went to SBs, reaching 19.63% SB participation.

C. SB/Micro Firms by Certification Type, Industry and Number of Employees

At the end of 2024-25, the number of all certified SB firms was 21,375 – an increase of 3,285 firms (18.16%) from the previous year. This drastic increase may be due in part to 1,990 one-year certification extensions provided to businesses supporting efforts to address the Los Angeles and Ventura County fires. Additionally, significant efforts were made to certify firms with federally recognized Disadvantaged Business Enterprise (DBE) certifications, resulting in 835 DBEs being newly certified as SBs.

The SB certification is granted to businesses that meet several eligibility requirements, such as having gross annual receipts (GARs) of \$18 million or less over the last three tax years and an employee count of 100 or fewer for the applicant and their affiliates. Micro is a designation granted automatically to certified SBs with GARs of \$6 million or less and an employee count of 25 or fewer. While not mandatory, certified SBs and Micros can choose to apply for the additional certification of Small Business for the purpose of Public Works (SB-PW). To be eligible for the SB-PW certification a firm must meet other certification requirements, which include having an average of \$43 million or less in GARs over the last three tax years and an employee count of 200 or fewer for the applicant and their affiliates. If firms graduate from the SB certification and their GARs exceed the \$18 million threshold, but their GARs are at or less than the \$43 million average, then they can apply for SB-PW certification for public works contracts only. While SBs and Micros are not required to be certified as SB-PWs to compete for public works contracts, SB-PWs are not considered and cannot be credited toward SB participation on non-public works contracts.

Table 8 below provides a breakdown by certification type of all SBs and SB-PWs. SBs with the Micro designation are labeled as “SB (Micro)” and those without are labeled as “SB.”

Table 8: SB Firms by Certification Type and Micro Designation

Certification Type	Certified Firm Count	Percent of Total
SB	1,778	8.32%
SB (Micro)	12,716	59.49%
SB (Micro), SB-PW	3,903	18.26%
SB, SB-PW	485	2.27%
SB, DVBE	100	0.47%
SB (Micro), DVBE	1,214	5.68%
SB (Micro), SB-PW, DVBE	401	1.88%
SB, SB-PW, DVBE	26	0.12%
SB-PW, DVBE	38	0.18%
SB-PW	714	3.34%
Total	21,375	100%

Source: FISCAL Master Query for July 2025

The size and scale of each word is determined by how often a keyword is used in SB certification profiles. Some of the primary keywords shown are Design, Services, Management, Engineering, Consulting, Construction, Building, Commercial, Architecture, Cleaning and Planning.

As required by PCC Section 10111, Table 9 shows the SB/Micro count by the number of employees. Firms with fewer than 25 employees represented 88.07% of the SBs in 2024-25, and these firms are the most likely to have the Micro designation.

Table 9: SB/Micro and SB-PW Firm Count by Number of Employees*

Number of Employees	Number of Firms 2024-25	Number of Firms 2023-24	Change from 2023-24
0-25	18,826	15,822	3,004
26-50	1,705	1,530	175
51-75	506	450	56
76-100	252	225	27
101-200	86	63	23
Total	21,375	18,090	3,285

* Point-in-time estimate subject to change.

The number of firms within each size category (number of employees) increased in comparison to 2023-24. The largest increase, 3,004 firms, was for the 0-25 employee category.

D. Number of SBs and Micros Doing Business with the State in 2024-25

With the passage of Assembly Bill (AB) 1574 (Chapter 756, Stats. 2021), effective on January 1, 2022, departments are required to make continuous efforts to expand the pool of SBs and Microbusinesses that bid in state contracts by regularly seeking out and identifying SBs, Micros and DVBEs that have not done business with the state regularly or at all and including them in solicitations, in addition to the existing SB/DVBE bidders and contractors.

Table 10 shows the total number of unique SBs/Micros, by certification type, doing business as prime contractors or subcontractors with state departments that transact in FI\$Cal.

In 2024-25, 3,582 unique SBs/Micros were awarded contract dollars by departments transacting in FI\$Cal, slightly fewer than the 3,698 unique SBs/Micros awarded in 2023-24. Alternatively, 663 unique SBs/Micros were awarded contract dollars as subcontractors, a significant increase over the prior year's 468. Combined, this resulted in a slight increase in the total number of unique SB firms doing business with the state.

Table 10: SB/Micro and SB-PW Firm FI\$Cal Count Prime Contractors and Subcontractors

Certification Type	2024-25 Prime	2024-25 Sub	2023-24 Prime	2023-24 Sub
SB Only	652	157	637	101
SB/Micro	2,309	346	2,604	345
SB-PW Only	121	42	89	21
SB-PW/Micro	500	118	368	1
FI\$Cal Departments	3,582	663	3,698	468

Source: 2024-25 CAR Data Validation Query

In addition, departments that do not transact in FI\$Cal (non-FI\$Cal), including Caltrans, CDCR, and DWR, reported 3,597 contracts awarded to unique SB prime contractors, and 412 contracts with unique SB subcontractors. Because these non-FI\$Cal departments submit their reports online and not via FI\$Cal's automatic calculations, their reports may include SB duplicates (i.e., the same SB being awarded contracts by more than one department). As such, the total count of unique SBs doing business with both FI\$Cal and non-FI\$Cal departments in 2024-25 cannot be calculated.

For data tables, see [Exhibit A](#).

III: DVBE Participation: The State Exceeded the DVBE Participation Goal

A. DVBE Participation Data

In 2024-25, the state awarded a total of \$12.21 billion contract dollars, \$1.14 billion (8.52%) less than 2023-24, of which \$727.9 million went to DVBEs through prime contracts or subcontracts. This resulted in the state exceeding the 3% DVBE participation goal and reaching 5.96%, the highest participation achieved in the last ten years. This is \$102.1 million (16.32%) more than awards to DVBEs in 2023-24, and higher than the 4.69% participation from last fiscal year.

Table 11 below shows the combined award of total contract dollars for mandatory and voluntary departments, equaling \$15.04 billion, with 5.96% DVBE participation for mandatory and 5.81% for voluntary departments.

Table 11: DVBE Contracts by Reporting Department Type (dollars in millions)*

Departments	Total Contract Dollars	DVBE Dollars	DVBE %	DVBE Contracts
Mandatory (state)	\$12,211.9	\$727.9	5.96%	55,983
Voluntary	\$2,828.7	\$164.2	5.81%	1,032
Total	\$15,040.6	\$892.1	5.93%	57,015


* Rounding may cause the totals in this table to vary slightly from the actual totals.

As shown in Table 12 below, the state's five top-spending departments cumulatively awarded \$6.7 billion (54.90%) of the total \$12.21 billion contract dollars awarded by the state, with four departments exceeding their DVBE goal.

Table 12: 2024-25 DVBE Participation for Top Five Total Spending Mandatory Departments

Departments	Contract Dollars	DVBE Dollars	DVBE %
Department of Transportation	\$2,293,330,818.79	\$57,710,980.21	2.52%
Department of Corrections and Rehabilitation	\$1,489,573,301.25	\$97,728,926.65	6.56%
Department of Forestry and Fire Protection	\$1,186,541,249.52	\$89,406,145.97	7.54%
Department of Water Resources	\$940,730,427.47	\$56,080,862.17	5.96%
Department of State Hospitals	\$793,592,492.30	\$39,025,687.31	4.92%
Total for Top Five Departments	\$6,703,768,289.33	\$1,991,204,676.53	

Percentages in bold, green color indicate that the SB participation goal was exceeded.



Departments struggling to meet the DVBE participation goals in fiscal year 2024-25 cited reasons including the specialized needs, equipment, resources, skills, knowledge and maintenance for departments' unique programs. Specifically, Caltrans highlighted the following in their improvement plan:

- Caltrans – “In FY 2024-25, Caltrans awarded 775 contracts to DVBE certified firms. This is a 278 reduction from last year where Caltrans awarded 1,053 contracts to DVBE certified firms. In federal fiscal year 2024-25, the Contract Evaluation Branch reviewed 155 No-Goal Waiver Requests with a combined contract value of \$141,909,448.68. Of these, 150 requests totaling \$140,297,448.68 were approved ... The top contributing factors to our office approving No Goals Requests are as follows: projects where subcontracting is prohibited, location of projects and geographic limitations and “Specialized” scopes of work ...” – from Caltrans’ 2024-25 Improvement Plan.

B. DVBE Contracting Dollars by Activity

Table 13 below lists contract dollars awarded in 2024-25 in total, and to DVBEs, by contracting activity, summarized as follows:

- Non-IT Services (non-Construction) accounted for the top dollars awarded at \$5.99 billion, 17.39% lower than the prior year's \$7.25 billion and reached 3.34% in DVBE participation.
- IT Goods and Services had the second highest awarded dollars at \$3.05 billion, 14.38% higher than the prior year's \$2.66 billion and reached 8.34% in DVBE participation.
- Non-IT Goods contracts awarded \$1.76 billion, 10.03% higher than the prior year's \$1.6 billion and reached 10.39% in DVBE participation.
- Construction awards decreased to \$1.34 billion, 23.32% lower than the prior year's \$1.75 billion and reached 6.61% in DVBE participation.

Compared to 2023-24, in 2024-25, DVBE dollars increased in all contracting activities except in Construction contracts. Non-IT Services experienced the highest increase of \$99.4 million (98.45%), followed by IT Goods and Services and Non-IT goods by \$48.9 million (23.83%) and \$10.3 million (5.93%), respectively. Construction contracts experienced a \$52.1 million (36.96%) decrease in DVBE dollars. Additionally, the state exceeded the DVBE goal in every category in 2024-25, whereas in 2023-24, the state did not meet the DVBE goal for Non-IT Services.

Table 13: DVBE Contract Dollars from Mandatory Departments by Activity
(dollars in millions)*

Contracting Activity	Total Contract Dollars	Percent of Total Contract Dollars	DVBE Dollars	DVBE Goal Percent
Services (Non-IT)	\$5,992.70	49.07%	\$200.40	3.34%
IT (Goods and Services)	\$3,045.30	24.94%	\$253.90	8.34%
Goods (Non-IT)	\$1,763.80	14.44%	\$183.30	10.39%
Construction	\$1,343.70	11%	\$88.80	6.61%
CAL-Card**	\$66.40	0.54%	\$1.50	2.22%
Total	\$12,211.90	100%	\$727.90	5.96%

Percentages in bold, green color indicate that the DVBE participation goal was met or exceeded.

* Rounding may cause totals in this table to vary slightly from the actual totals.

** In addition, to the awards made in the four reporting categories above, FI\$Cal captures procurement transactions paid with Cal-Card that are not reported anywhere else, including small transactions under \$2,500 that do not require purchase orders. The total amount of such transactions was \$66.4 million in 2024-25, of which \$1.50 million went to DVBEs, reaching 2.22% DVBE participation.

C. DVBE Firms by Certification Type, Industry and Number of Employees

At the end of the 2024-25 fiscal year, there were 2,181 certified DVBE firms (Table 14), 407 (18.66%) more than the 1,774 firms in the previous fiscal year. Of the firms with DVBE certifications, 402 (18.43%) were certified as DVBE-only, while 1,779 (81.57%) had multiple certifications. Additionally, 1,615 (74.05%) of the certified DVBEs also had the SB (Micro) designation.

Table 14: DVBE Firms by Certification Type

Certification Type	Firm Count	Percent of Total
DVBE only	402	18.43%
DVBE, SB	100	4.59%
DVBE, SB (Micro)	1,214	55.66%
DVBE, SB-PW	38	1.74%
DVBE, SB, SB-PW	26	1.19%
DVBE, SB (Micro), SB-PW	401	18.39%
Total	2,181	100%

Source: FI\$Cal Master Query for July 2025

D. The Number of DVBEs Doing Business with the State

With the approval and implementation of AB 1574, departments should make continuous efforts to expand the pool of SBs/DVBEs that bid in state contracts by regularly seeking out and identifying SBs/DVBEs that have not done business with the state and including them in solicitations, in addition to the existing SB/DVBE bidders and contractors.

Table 15 shows the total number of unique DVBEs by certification type, doing business as prime contractors or subcontractors with state departments that transact in FI\$Cal. In total, the number of unique DVBEs contracting with the state as prime and subcontractors both show increases in 2024-25, of 16.8% and 35% respectively when compared to the previous fiscal year.

Table 15: DVBE Firm Count as Prime Contractors and Subcontractors

Certification Type	2024-25 Prime	2024-25 Sub	2023-24 Prime	2023-24 Sub
DVBE-SB	395	268	345	194
DVBE	36	29	24	26
FI\$Cal Departments	431	297	369	220

Source: 2023-24 and 2024-25 CAR Data Validation Query

In addition, departments that do not transact in FI\$Cal (non-FI\$Cal), including Caltrans, DWR, and CDCR, reported 1,148 contracts awarded to unique DVBE prime contractors and 231 to unique DVBE subcontractors. Similar to the unique SB and SB-PW counts, these non-FI\$Cal departments submit their reports online and not via FI\$Cal, so their reports may include DVBE duplicates (i.e., the same DVBE being awarded contracts by more than one department). As such, a total count of unique DVBEs doing business with the mandatory departments in 2024-25 cannot be calculated.

For data tables, see [Exhibit B](#).

IV: Consulting Services Contracting Activity

PCC Section 10111, subdivision (a) requires all consulting services contracts that are awarded, amended or completed during a fiscal year to be reported. Consulting services contracts are services of an advisory nature, and the end product is the transmittal of information in either written or verbal form (PCC Section 10335.5). Table 16 below shows the reported consulting services activity for 2024-25 for mandatory departments.

Table 16: Consulting Services Contracts Reported in 2024-25 (dollars in millions)*

Contract Status	Number of Contracts	Percent of Number of Contracts	Dollar Amount
Awarded	1,769	45.27%	\$2,303.9
Amended	554	14.18%	\$152.8
Completed	1,585	40.56%	\$2,000.4
Total	3,908	100%	\$4,457

¹ Completed consulting services contracts may be awarded and/or amended in previous fiscal years.

* Rounding may cause totals in this table to vary slightly from the actual totals.

The changes in mandatory departments' 2024-25 consulting services contracting activities when compared to 2023-24 include:

- Departments awarded and amended a total of 2,323 consulting services contracts, an increase of 685 over 2023-24. The awarded and amended contract dollars equal \$2.46 billion, higher than the prior year's \$1.97 billion, with the greatest increase experienced by the State Controller's Office (SCO) at \$616.3 million when compared to last year's \$24.69 million. Specifically, this increase can be attributed to SCO awarding a \$524.7 million contract with a consultant vendor for a statewide payroll and human resources information technology project.
- Departments completed 1,585 consulting services contracts this year with a value of \$2 billion, higher than the 1,076 completed contracts in 2023-24, with a value of \$1.94 billion.

Of the 152 mandatory reporting departments, 55 departments (36.18%) did not report consulting services activities for 2024-25, slightly higher than in 2023-24 when 34% had no contracting activities to report.

For consulting services contract data table, see [Exhibit C](#).

V: Promoting State Contracting with SB/DVBE: the SB Option, the DVBE Option, and the DVBE Incentive

To further encourage the use of SBs/Micros and DVBEs for state contracts, departments may use the SB Option or the DVBE Option acquisition methods. These methods are statutorily permitted by Government Code Sections 14838.5 and 14838.7, and although encouraged, do not require advertisement, nor do they adhere to the state's formal competitive bidding requirements. When using the SB Option and the DVBE Option acquisition methods, contracts may be awarded for goods, services, or IT goods and services valued from \$5,000.01 to \$249,999.99 or for public works contracts valued from \$5,000.01 to \$461,000 so long as price quotes are received from two or more certified SB or DVBE firms.

State law also requires awarding departments to apply a DVBE Incentive on all competitive procurements to give an advantage to DVBE firms, unless an exemption is approved by the highest-ranking procurement official or their designee. For evaluation purposes only, the state shall apply an incentive to bids that commit to DVBE participation, as identified on the Bidder Declaration. The incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation.

Table 17 below shows the reported usage of the SB Option, DVBE Option and the DVBE Incentive for 2024-25.

Table 17: SB/DVBE Option and DVBE Incentive Contracts for Mandatory Departments

Acquisition Method	Total Dollars (in millions)	Number of Contracts
SB Option	\$462.5	6,709
DVBE Option	\$52.7	1,461
DVBE Incentive	\$599.9	12,753



Highlights of the SB/DVBE Option and the DVBE Incentive during 2024-25 include:

- Of the 152 mandatory reporting departments, 105 used the SB Option, and 79 used the DVBE Option. This was a small decrease from the 109 departments using the SB Option and an increase from 66 using the DVBE Option in 2023-24.
- SB Option dollars increased by \$57.4 million (14.17%) to \$462.5 million in 6,709 contracts when compared to \$405.1 million in 7,041 contracts in 2023-24.
- DVBE Option dollars decreased by \$6.1 million (10.44%) to \$52.7 million from \$58.9 million in 2023-24, along with the number of contracts also decreasing slightly to 1,461 from 1,498.
- State awards with DVBE Incentive count and dollars increased significantly by 44% to \$599.9 million and 12,753 contracts for this fiscal year compared to \$488.7 million and 8,856 contracts in 2023-24.

DGS will continue to promote the SB/DVBE First Policy to state departments and strongly encourage the use of SB and DVBE Option acquisition methods whenever feasible. Additionally, although these acquisition methods do not require solicitations to be advertised, advertising can still be done and the Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS) will encourage this practice on Cal eProcure through the implementation of AB 1574. For these solicitations, DGS will waive the SB and DVBE Option advertisement cost for departments.

For SB and DVBE Option data, see [Exhibit D](#).



VI: The Infrastructure Bond Acts of 2006 and Infrastructure Investment and Jobs Act of 2023

Government Code Section 14838.1 requires reporting of all contracting activity using funds from the Infrastructure Bond Acts of 2006 (I-Bond) and mandates a 25% SB participation in the construction of the state's infrastructure using this bond program. The number of departments using I-Bond funding has decreased over the past several fiscal years. Fiscal year 2013-14 was the last time more than 10 departments used the I-Bond funds. In 2024-25 and 2023-24, no departments reported the use of I-Bond funds.

Effective January 1, 2023, Assembly Bill 2974 amended Government Code Section 14838.1 (e) to require a 25% SB participation goal in all infrastructure contracts exceeding \$500,000 funded fully or partially by the federal Infrastructure Investment and Jobs Act of 2023 (IIJA). State departments are required to report on the usage of IIJA funds for the following federal infrastructure acts:

- The Surface Transportation Reauthorization Act
- The Surface Transportation Investment Act
- The Drinking Water and Wastewater Infrastructure Act
- Broadband
- The Build America, Buy America Act

However, if an awarding department does not meet the required 25% SB participation goal for any IIJA-funded contracts exceeding \$500,000, then a plan of action (improvement plan) must be submitted pursuant to Government Code Section 14838.1 (i).

In 2024-25, two departments reported contracts that used IIJA funds totaling \$2,638,987, California Highway Patrol and California Public Utilities Commission. For California Highway Patrol, the reported contracts did not meet the \$500,000 threshold that requires SB participation, but 5.23% DVBE and 41.13% SB participation were still reported. While the California Public Utilities Commission's (CPUC's) awarded contract met the threshold for the required 25% SB participation, no SB or DVBE participation was reported. CPUC submitted an improvement plan to OSDS.

This data is captured in [Exhibit E](#).



VII: Ethnicity, Race, Gender, and Sexual Orientation

Public Contract Code Section (PCC) 10111(f) requires the level of participation of business enterprises by race, ethnicity and gender of the owner to be reported, along with whether the business is LGBTQ-owned. Awarding departments send a Voluntary Statistical Data Sheet (VSDS) to every business awarded a contract for business owners to voluntarily provide identifying information. The Ethnicity, Race, Gender, and Sexual Orientation (ERGSO) report is an accumulation of the voluntary VSDS forms reported by state departments to DGS.


In September 2025, DGS implemented automation of ERGSO reporting in FI\$Cal to capture and report required information based on the voluntarily provided supplier diversity data. The 2024-25 statewide ERGSO report is generated through this fully automated process. This new process is a significant efficiency that eliminates the need for departments to collect VSDS forms and manually enter the received information into a data entry page and for vendors to repeatedly provide this information via mail. Most importantly, this automation continues to preserve the confidentiality of the voluntarily provided diversity data by ensuring the data is not available, accessible, viewable or reportable at the transaction level, only at an aggregate level for departments and statewide in compliance with the annual reporting requirements under PCC Section 10111. The automation also results in better, more inclusive data in all reporting categories.

ERGSO data is captured for contracts tied to construction (Construction); purchases of materials, supplies, or equipment (Goods); and professional services (Services). The same contract may be reported in more than one ERGSO classification. For example, a business owner may indicate more than one race and ethnicity classification for a contract.

Due to the new automated ERGSO reporting, there is a significant improvement in the voluntarily reported data for 2024-25 in all diversity categories when compared to the 2023-24 fiscal year. Below are data highlights as voluntarily reported by the business community:

- The Ethnicity classification contains the following categories: Asian-Indian, Black, Hispanic or Latino, Non-Hispanic or Non-Latino, Native American, Pacific Asian and Other.
- Contracts for Goods reported \$149.3 million when totaling all diversity categories, compared to only \$2.4 million reported for 2023-24. Respondents identifying as Non-Hispanic or Non-Latino accounted for 53.38% of the data captured for Goods contracts.

- Services contracts reported \$682.4 million when totaling all diversity categories, compared to only \$95.4 million reported for 2023-24. Respondents identifying as Hispanic or Latino accounted for 33.87% of the data captured for Services contracts.
- Construction contracts reported \$58.2 million when totaling all diversity categories, compared to only \$17.2 million reported for 2023-24. Respondents identifying as Hispanic or Latino accounted for 42.33% of the data captured for Construction contracts.
- The Race classification contains the following categories: American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, White, Two or more races and Other.
 - Respondents identifying as White received \$104.4 million, representing 68.97% of the \$151.3 million reported dollars for Goods contracts. In 2023-24, only \$6.4 million was reported.
 - Respondents identifying as White received \$229.7 million, representing 41.88% of the \$548.6 million reported dollars for Services contracts. In 2023-24, only \$106.2 million was reported.
 - Respondents identifying as White received \$42.7 million, representing 64.99% of the \$65.7 million reported dollars for Construction contracts. In 2023-24, only \$27.5 million was reported.
- The Gender classification contains the following categories: Female/Woman, Male, Non-binary and Other.
 - Respondents identifying as Female/Woman received \$103.5 million, representing 60.42% of the \$171.4 million reported dollars for Goods contracts. In 2023-24, only \$5.4 million was reported.
 - Respondents identifying as Male received \$274.6 million, representing 53.07% of the total \$517.5 million reported dollars for Services contracts. In 2023-24, only \$96.3 million was reported.
 - Respondents identifying as Male received \$61.6 million, representing 67.14% of the total \$91.7 million reported dollars for Construction contracts. In 2023-24, only \$29.6 million was reported.
- The Sexual Orientation classification contains the following categories: Lesbian, Gay and Bisexual, Transgender and Other.
 - Contracts for Goods had a total of \$5.8 million captured through the new ERGSO reporting with respondents identifying as Lesbian receiving \$3.1 million, representing 53.36% of the total. In 2023-24, only \$35,455 was reported.
 - Contracts for Services had a total of \$60.6 million captured through the new ERGSO reporting with respondents identifying as Gay receiving \$48.2 million, representing 79.47% of the total. In 2023-24, only \$1.6 million was reported.

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- Construction contracts had a total of \$872.7 thousand captured through the new ERGSO Reporting with respondents identifying as Bisexual receiving \$759.3 thousand, representing 87% of the total. In 2023-24, nothing was reported.

In 2023-24 just over 28% of all reporting departments had data to report. With the new ERGSO report automation, data was captured for 73% of all reporting departments statewide. Additionally, due to this automation, 2024-25's statewide ERGSO report is more robust and reflects a significant improvement in participation data by diversity categories. Data will continue to improve with more and more vendors entering their voluntary information only once. This new process helps combat the challenge of departments not receiving VSDS forms and supports continuing efforts to show the amount of contracting dollars that go to California's diverse business owners.

However, even with the automated and more robust data collection, this report is not representative of all the business owners contracting with the state, as only a small portion of the vendors provided the data; therefore, caution is strongly advised when analyzing, interpreting or using the data in the 2024-25 ERGSO report.

Looking at the future, DGS will support efforts to encourage business owners to have the most up-to-date diversity information in Cal eProcure profiles.

For ERGSO data, see [Exhibit F](#).



VIII: What Does DGS Do to Help with SB/DVBE Participation?

DGS' Procurement Division, OSDS and the Statewide Supplier Diversity Program (SSDP) continue to promote and diligently work to increase the state's pool of small, diverse and disabled veteran-owned certified suppliers (SBs/DVBEs) through business certification, education, outreach, advocacy efforts, strategic partnerships with the business community, and assistance to state departments in achieving their SB/DVBE participation goals. The following sections highlight the efforts in 2024-25 to directly assist SBs/DVBEs and support state departments, as well as future activities to increase and diversify SB/DVBE participation in state procurement.

A. Sustained efforts to Increase SB/DVBE Participation in Emergency Procurements

The SB/DVBE Emergency Registry is a dedicated, searchable listing of certified businesses capable of deploying goods or services to state departments during an emergency. This portal only includes businesses that provide goods and services contained in predefined emergency categories based on the past needs of the state during emergencies. After launching the SB/DVBE Emergency Registry in late 2021, DGS continues to support the inclusion of SBs and DVBEs in emergency contracts by promoting the registry to SBs and DVBEs throughout the state with educational outreach events, communications and social media engagement. The number of SBs and DVBEs in the Emergency Registry increased to 2,162 and the number of state buyers to 429 at the end of 2024-25.

During the wildfires in Los Angeles and other statewide emergencies, the SB/DVBE Emergency Registry staff worked to strengthen the system and ensure timely participation from certified SBs and DVBEs. To support the efforts of the certified SBs and DVBEs in response to the Los Angeles and Ventura County fires, OSDS granted over 1,990 one-year certification extensions to small businesses impacted by the fires. OSDS' outreach efforts resulted in an additional 1,074 certified firms being added to the Emergency Registry.



B. Ongoing direct assistance to SBs/DVBEs seeking to do business with the state

In summary, DGS engaged in the following certification, outreach, training and procurement efforts during fiscal year 2024-25:

Approved certifications for 9,093 individual firms. These certifications included 8,075 for Small Business, 7,279 of which were also granted the micro designation, 2,328 Small Business for the purpose of Public Works, 984 Disabled Veteran Business Enterprises and one Nonprofit Veteran Service Agency. Additionally, OSDS provided assistance to customers with SB and DVBE certification applications and program compliance through nearly 6,700 emails, over 6,100 phone calls and 100 public counter visits.

Reduced the backlog of SB/DVBE certification applications by 99% by implementing a change in the application review process. This change allows for most applications that need manual review to be approved automatically, then manually reviewed at a later date. As a result, businesses become certified quicker and, in some cases, are enabled to access opportunities and participate in state contracts sooner.

Completed 273 certification compliance reviews, DVBE subcontractor substitution requests, certification and/or notice of intent to suspend appeals, and program abuse investigations.

Conducted 23 hands-on, off-site certification workshops throughout the state that aimed to educate businesses about the certification process and directly certified 229 businesses, on the spot, as either an SB, DVBE or SB-PW.

Participated in 227 outreach events and held 887 one-on-one appointments with certified SBs and DVBEs and interested applicants. Events were held in collaboration with 85 organizations to educate approximately 22,500 small, diverse and disabled veteran-owned businesses about state certification programs and the procurement process. The number of one-on-one appointments increased by approximately 70% when compared to the 523 one-on-one appointments held in fiscal year 2023-24.

Sustained engagement with strategic and reciprocity partners.

During the reporting period, OSDS engaged with and strengthened its existing network of 25 strategic partnerships with diverse organizations that support the SB/DVBE program mission. These ongoing collaborations remain vital to outreach, education and supplier engagement efforts. Additionally, the program sustained its 47 certification reciprocity partnerships, ensuring continued recognition of state certifications across participating local agencies and universities.



Facilitated the DGS Small Business Advisory Council's quarterly meetings.

The Small Business Advisory Council assists DGS with the development of solutions to the state's procurement and contracting concerns.

Leveraged economic impact through collaboration with other state advisory councils and work groups, including the California Department of Transportation (Caltrans) SB Council, and California Department of Veterans Affairs DVBE Council, University of California Economic Impact Advisory Council, Statewide Coalition on Diversity Initiatives, Health in all Policies Task Force, Western Regional Minority Supplier Development Council, Entrepreneurship and Economic Mobility Task Force, and the Minority-Owned Small Business Task Force.


Hosted the second annual Statewide Supplier Diversity Symposium.

DGS' SSDP, in collaboration with the California Statewide Coalition on Diversity Initiatives, hosted this annual event to advance the economic impact of California's small and diverse business communities. This year's symposium featured several tailored breakout sessions and expanded opportunities for networking and stakeholder engagement. OSDS played a key role by coordinating the highly rated "Meet the Advocates" session pairing businesses with state department advocates for one-on-one consultations.

Increased awareness of the SB/DVBE programs and resources available to suppliers using social media, webinars and participation in focused outreach. At the end of 2024-25, the [OSDS LinkedIn](#) page had over 1,600 followers. Additionally, OSDS provided continuous engagement of the SB/DVBE community and state procurement opportunities through focused email communications to promote upcoming events, training and procurement solicitations. To promote supplier engagement and participation in 2024-25, 51 email campaigns delivered notifications to over 500,700 recipients with a 53.3% open rate.

Conducted extensive SB/DVBE training efforts:

- Ongoing SB/DVBE online training classes are available at the [SB and DVBE Training](#) webpage. By the end of the training unit's first year (2024-25), 929 SBs and DVBEs registered for the classes listed below, and over 500 were in attendance.
- OSDS launched the first SB/DVBE cohort-based certificate training, a DGS strategic goal. The cohort received nominations from partner chambers of commerce for 25 businesses to complete eight training modules and get a competitive edge to successfully bid and increase their state contract readiness. Classes included:
 - Solving the Marketing to the State Mystery Part 1
 - Solving the Marketing to the State Mystery Part 2

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- The ABC's of Environmentally Preferred Purchasing for SBs/DVBEs
 - Understanding State SB/DVBE Commercially Useful Function
 - SB/DVBE Option and Fair and Reasonable Acquisition methods
 - Leveraged procurement Agreements – A Closer look
 - Departmental Contracting
 - Navigating the California Multiple Awards Schedules (CMAS) Application
 - California Prompt Payment Video

Implemented the From Contact to Contract outreach tracking tool to evaluate program effectiveness and inform future direction. The tool collects longitudinal metrics on certified businesses – from initial contact to outreach events attended, to SB/DVBE certification, bid submission and contract award.


Leveraged CalSAT (California SB/DVBE Atlas Tool), a visual interactive tool that overlays certified SBs' and DVBEs' Geographic Information System (GIS) locations and procurement information. Over 25% of California communities are disadvantaged, and 26.08% of all certified SBs/DVBEs are in these disadvantaged communities. Of the 121 in-person outreach events conducted in 2024-25, 64 (52.89%) took place in disadvantaged communities, drawing 10,720 businesses in attendance. For more information visit [SB/DVBE Atlas Tool \(CalSAT\)](#).

C. Continuous support for state departments with SB/DVBE participation

DGS engaged in the following efforts through its OSDS Advocacy Support Program to assist state departments in successfully meeting and exceeding their SB and DVBE participation goals during the 2024-25 fiscal year:

Continued providing tools and best practices to support the inclusion of SBs/Micros and DVBEs in state procurement including emergency contracts, as well as assistance with identifying SB/DVBE subcontracting opportunities and guidance on implementing departmental SB/DVBE First Policies to streamline procurement processes for buyers. Of the 152 mandatory reporting departments, 79 departments reported that they adopted an SB/DVBE First Policy.

Established the Advocate Partnership Program to support state department SB/DVBE advocates in fulfilling their roles effectively. Five experienced mentor advocates were matched with five mentee advocates to offer guidance, peer learning and knowledge sharing.



Provided guidance to advocates and departments regularly, including policy guidance on implementing AB 1574 and AB 2019 (Petrie-Norris, Ch, 730, Stats. 2022) through [Policy Broadcast Bulletin P-04-25](#) – SUBJECT: [Updated Requirements to the Small Business Procurement and Contract Act](#). This bulletin informed state agencies about the new SB participation requirements in Competitive, SB/DVBE Option, Non-competitive and Fair and Reasonable acquisitions, and Leveraged Procurement Agreements. OSDS also held quarterly advocate meetings sharing SB/DVBE contracting best practices and serving as a training and informational forum for the advocates in attendance. DGS partnered with the California Department of Veterans Affairs (CalVet) to support advocates in their efforts to find additional opportunities for SB/DVBE businesses to become successful in state contracting.

Provided focused aid and oversight to 47 underperforming departments, identifying department-specific needs and barriers to meeting participation goals. OSDS required departments that did not meet their SB/DVBE participation goals to complete Improvement Plans, which set strategies to improve their performance and describe the challenges and barriers they face in meeting participation goals. Staff held the SB/DVBE Contracting Best Practices webinar, and while the webinar was open to all mandatory and voluntary reporting departments, mandatory reporting departments that did not meet their SB and/or DVBE participation goals for fiscal year 2023-24 were required to attend. The Best Practices webinar had a total of 379 attendees from various state agencies, boards, commissions and departments. Of the 47 departments that the OSDS Advocacy Support Program assisted through regular meetings, 20 met both the SB/Micro and DVBE participation goals in 2024-25.

Developed a State Procurement Supplier Diversity Dashboard of voluntary diversity data from state suppliers, including SBs and DVBEs, to help develop new strategies to ensure California's supplier base is reflective of its diversity. At the end of 2024-25, 14,000 businesses voluntarily provided their diversity information, of which nearly 8,400 were certified SBs/DVBEs.

Table 18 lists these departments and the participation percentages they achieved in both 2023-24 and 2024-25.

Table 18: Departments with the Most Improved SB/DVBE Participation from 2023-24 to 2024-25

Department	2023-24 SB/Micro	2023-24 DVBE	2024-25 SB/Micro	2024-25 DVBE
Board of Pilot Commissioners	1.14%	0.89%	78.82%	78.82%
Business and Economic Development Agency	19.62%	0.20%	25.17%	8.71%
CA Conservation Corps	28.31%	2.58%	33.41%	13.39%
CA Tahoe Conservancy	4.87%	1.14%	52.51%	12.73%
Department of Forestry and Fire Protection	16.69%	3.16%	29.69%	7.54%
California Highway Patrol	18.40%	3.86%	28.48%	5.64%
Civil Rights Department	18.03%	3.35%	51.90%	11.25%
Department of Education	19.56%	10.03%	37.05%	12.06%
Department of Parks and Recreation	18.64%	4.13%	25.02%	4.36%
Department of Water Resources	11.90%	2.25%	26.74%	5.96%
Education Audit Appeals Panel	10.35%	1.31%	100%	3.20%
High-Speed Rail Authority	22.02%	1.46%	28.59%	3.26%
Office of Emergency Services	20.25%	4.23%	29.97%	4.92%
Office of State Public Defender	60.79%	2.35%	27.57%	16.29%
Public Employment Relations Board	13.06%	3.30%	42.19%	31.03%
Sacramento-San Joaquin Delta Conservancy	15.79%	13.05%	28.27%	28.27%
San Joaquin River Conservancy	18.17%	0%	83.18%	3.49%
State Coastal Conservancy	18.40%	1.81%	27.19%	3.72%
Tax and Fee Administration	21.66%	9.78%	25.62%	7.89%
Teacher Credentialing Commission	1.61%	0.36%	33.31%	16.58%

Percentages in bold, green color indicate the SB and/or DVBE participation goal was met.



D. Looking Ahead

DGS will continue its SB/DVBE certification, education, outreach and advocacy efforts to expand the pool of SBs/DVBEs doing business with the state and increase diversity and inclusion in state procurement, including but not limited to the following:

Develop an SB/DVBE Certification Virtual Assistant (an Artificial Intelligence-enhanced chatbot) to provide assistance to customers that required over 7,000 email and 6,000 phone call responses from OSDS annually. This assistant will improve the efficiency of OSDS by addressing thousands of generic inquiries, allowing OSDS to redirect staff time to certification and other specialty efforts, projects and more complex customer assistance.

Expand awareness and utilization of the Target Area Contract Preference Act (TACPA) to support economic development in distressed areas of California. Future efforts will focus on increasing outreach to businesses located in TACPA-eligible zones, developing educational materials to promote the program's benefits and collaborating with departments to encourage the use of TACPA preferences in state contracting to stimulate local job creation and community investment.

Develop enhanced and streamlined, automated annual reports, such as the DVBE Subcontracting Report form, the Late Payment Penalties Paid Report, and the Form 810E – Ethnicity, Race, Gender and Sexual Orientation (ERGSO) report using diversity information provided by vendors in their Cal eProcure profiles. These enhancements will increase both accuracy and efficiency of statewide reporting for vendors, departments and OSDS.

Update regulations by incorporating the minimum 25% SB participation goal for state agencies and for federal IIJA contracts over \$500,000 in accordance with AB 2974 (Committee on Jobs, Economic Development, and the Economy, Ch. 600, Stats. 2022), authorizing state agencies to designate competitively bid contracts between \$5,000 and \$3,500,000 exclusively for SB and Micro participation, extending the certification period for SB, SB-PW and DVBE firms from 24 to 36 months, clarifying terminology and requirements related to certification processes, and raising the three-year average GARs eligibility limits for SBs and SB-PWs.

E. Proposed Remedial Actions

AB 2019 (Petrie-Norris, Ch. 730, Stats. 2022) requires DGS to consider appropriate remedial actions to be taken in regard to mandatory reporting departments that do not achieve the SB and/or DVBE goals in three out of five years, starting in fiscal year 2022-23, including but not limited to removal of purchasing authority. More information regarding departments and their assigned remedial actions can be found in [Exhibit G](#).

Below is a high level summary of the four levels of remedial actions established in implementing AB 2019:

Table 19: Proposed Remedial Actions

	How a Department/Agency Reaches This Level	General Description of Actions
Level 1	<p>Year 1 – the first year when a department does not meet SB or DVBE goals in three of five years despite significant efforts to identify and solicit to SB/DVBEs.</p> <p>Departments will remain at this level as long as the above specified Level 1 conditions continue.</p>	<p>Initial remedial measures for first-time noncompliance primarily due to reasons outside the controls of the department.</p> <p>Actions include but are not limited to having someone assigned to the advocate role, attending agency visits and the Best Practices Webinar, considering adopting a SB/DVBE First Policy, and others.</p>
Level 2	<p>Year 2 – the department does not meet the goal(s) after being at Level 1 for one year, made minimal to no efforts in identifying SBs/DVBEs to include in their solicitations and contracting, and no longer had reasons outside their control.</p> <p>If the above-specified Level 2 conditions persist, the department will escalate to Level 3.</p>	<p>Enhanced oversight and actions for repeated noncompliance without valid reasons.</p> <p>Actions include but are not limited to reviewing and assessing impact of approved DVBE 816 exemptions, developing outreach plan, setting contract-specific goals as allowed by California Code of Regulations §1896.5, submitting mid-year progress reports to DGS, unbundling large contracts, and identifying additional subcontracting opportunities.</p>
Level 3	<p>Years 3 and 4 – the department does not meet the goal(s) after being in Level 2 for one year without improvement.</p> <p>If the above-specified Level 3 conditions persist, the department will escalate to Level 4.</p>	<p>Executive-level intervention for departments consistently missing goals and not collaborating with DGS in finding a resolution.</p> <p>Actions include but are not limited to attending DGS executive visit, advertising Look Ahead Reports of upcoming solicitations on the department's procurement webpage, being restricted to a limited purchasing authority.</p>
Level 4	<p>Year 5 – the department does not meet the goal(s) after two consecutive years at Level 3 and failed to meet goals for five consecutive years.</p>	<p>Final remedial action after five years of noncompliance without valid reasons.</p> <p>This remedial action is the last resort measure of removing the purchasing authority under PCC §10333.</p>

IX: Glossary of Terms

Definitions

Consulting services	Services of an advisory nature where the final product is a transmittal of information either written or verbal.
Mandatory reporting departments	Departments that were granted purchasing authority by DGS or are under the California governor's authority. These departments are required to report SB/Micro and DVBE participation for each fiscal year.
State	Refers to only mandatory reporting departments.
Voluntary reporting departments	Departments that are not under DGS' purchasing authority or are not under the California governor's authority. These departments are not required to report SB and DVBE participation but may elect to do so voluntarily.

Acronyms

CalVet	California Department of Veterans Affairs
CAR	Consolidated Annual Report
DGS	California Department of General Services
DVBE	Disabled Veteran Business Enterprise
ERGSO	Ethnicity, Race, Gender, and Sexual Orientation
FI\$Cal	Financial Information System for California
I-Bond	Infrastructure Bond Acts of 2006
IJA	Infrastructure Investments and Jobs Act of 2023
Micro	Microbusiness
OSDS	Office of Small Business and Disabled Veteran Business Enterprise Services
PCC	Public Contract Code
SARA	State Agency Recognition Awards
SB	Small Business
SB-PW	Small Business for the purpose of Public Works
SSDP	Statewide Supplier Diversity Program
VSDS	Voluntary Statistical Data Sheet



X: Exhibits

[About – How to Use the Consolidated Annual Report Dashboard](#)

[Exhibit: Reporting Agencies and Departments](#)

[Exhibit: Executive Summary – SB/DVBE Participation by Agency](#)

[Exhibit: Executive Summary – Emergency and Non-Emergency Spend](#)

[Exhibit A: Small Business \(SB\) Participation](#)

[Exhibit B: Disabled Veteran Business Enterprise \(DVBE\) Participation](#)

[Exhibit C: Consulting Services Contracting Activity](#)

[Exhibit D: SB Option, DVBE Option and DVBE Incentive](#)

[Exhibit E: I-Bond/IIJA](#)

[Exhibit F: Ethnicity, Race, Gender, and Sexual Orientation \(ERGSO\) Report](#)

[Exhibit G: Remedial Actions by Department](#)

Exhibit G: Remedial Actions

Department	Which Goal/s Not Met	Assign Advocate	Attend Quarterly Agency Visits	Adopt SB/DVBE First Policy	Attend Best Practices Webinar	Complete Specified Trainings	Outreach Communication	Advertise SB/DVBE Option	Attend Specific Outreach Events	Ineligibility for SARA
African American Museum, California	DVBE			✓	✓	✓	✓	✓	✓	✓
Air Resources Board, California	SB				✓	✓	✓	✓	✓	✓
Business, Consumer Services and Housing Agency	SB and DVBE				✓	✓	✓	✓	✓	✓
Citizens Compensation Commission	SB and DVBE	✓	✓		✓	✓	✓	✓	✓	✓
Behavioral Health Services Oversight Accountability Commission (Commission for Behavioral Health)	DVBE	✓		✓	✓	✓	✓	✓	✓	✓
Developmental Disabilities, State Council on	DVBE			✓	✓	✓	✓	✓	✓	✓
Emergency Medical Service Authority	SB and DVBE				✓	✓	✓	✓	✓	✓
Exposition and State Fair, California	DVBE			✓	✓	✓	✓	✓	✓	✓
Financial Information System for California (FI\$Cal)	DVBE			✓	✓	✓	✓	✓	✓	✓
Health Care Access and Information, Department of	DVBE				✓	✓	✓	✓	✓	✓
Horse Racing Board	SB and DVBE				✓	✓	✓	✓	✓	✓
Law Revision Commission, California	SB and DVBE	✓	✓		✓	✓	✓	✓	✓	✓
Natural Resources Agency	DVBE		✓		✓	✓	✓	✓	✓	✓
Office of Technology and Solutions Integration	SB				✓	✓	✓	✓	✓	✓
Office of Exposition Park Management	DVBE	✓	✓		✓	✓	✓	✓	✓	✓
Personnel Board, State	SB and DVBE			✓	✓	✓	✓	✓	✓	✓
San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy	DVBE			✓	✓	✓	✓	✓	✓	✓
School Finance Authority, California	DVBE			✓	✓	✓	✓	✓	✓	✓
Summer School for the Arts, California State	DVBE				✓	✓	✓	✓	✓	✓
State Lands Commission	SB				✓	✓	✓	✓	✓	✓
Tax Credit Allocation Committee, California	SB			✓	✓	✓	✓	✓	✓	✓
Transportation Agency (includes Office of Traffic Safety)	DVBE			✓	✓	✓	✓	✓	✓	✓
Transportation Commission, California	DVBE		✓	✓	✓	✓	✓	✓	✓	✓

Note: ✓ - Indicates a remedial action is applied. A blank field indicates the measure was in place prior to the application of remedial action.