DVBE SUBCONTRACTOR SUBSTITUTION REQUIREMENTS

Reference: Title 2 California Code of Regulations Section 1896.73

Overall:
- DVBE subcontractors must be used unless a substitution is approved by the Office of Small Business and DVBE Services (OSDS).
- DVBE subcontractors must be replaced by another DVBE to perform the work originally stated. The substitution shall maintain the level of participation by DVBE subcontractors.

Procedure:
- The prime contractor shall, in writing by certified mail, notify the DVBE and the awarding department of the intended substitution stating the reasons for the substitution and giving the name and supplier number of the replacement subcontractor.
- The DVBE subcontractor has 5 days to oppose the substitution in writing.
- If the substitution is opposed, the awarding department must grant the DVBE a hearing within 5 days from the receipt of the objection.
- If the awarding department approves the substitution request (note: There is no OSDS involvement if the awarding department denies the request), the following must be emailed to OSDS sb.dvbecompliance@dgs.ca.gov for processing of the request:
  - ✓ Contract Number and Description of Contract
  - ✓ Contract Amount
  - ✓ DVBE Subcontractor Commitment
  - ✓ Date Contractor Requested DVBE Subcontractor Substitution
  - ✓ Justification for Substitution
    - DVBE bankrupt, insolvent or goes out of business
    - DVBE does not perform as listed in Bidder Declaration
    - DVBE does not meet bond or license requirements
    - DVBE listed incorrectly
    - DVBE is not licensed as required
  - ✓ Date the Department Sent Written Notice to DVBE Subcontractor
  - ✓ Date Written Objections Were Received from DVBE (if any)
  - ✓ Date Department Sent Notice of the Substitution Hearing and Date of Substitution Hearing (if applicable)
  - ✓ SB/DVBE Advocate Signature
- OSDS will email processed requests to the SB/DVBE Advocate within 3 days of receipt
- The awarding department's contracting official will notify the Prime and DVBE subcontractors