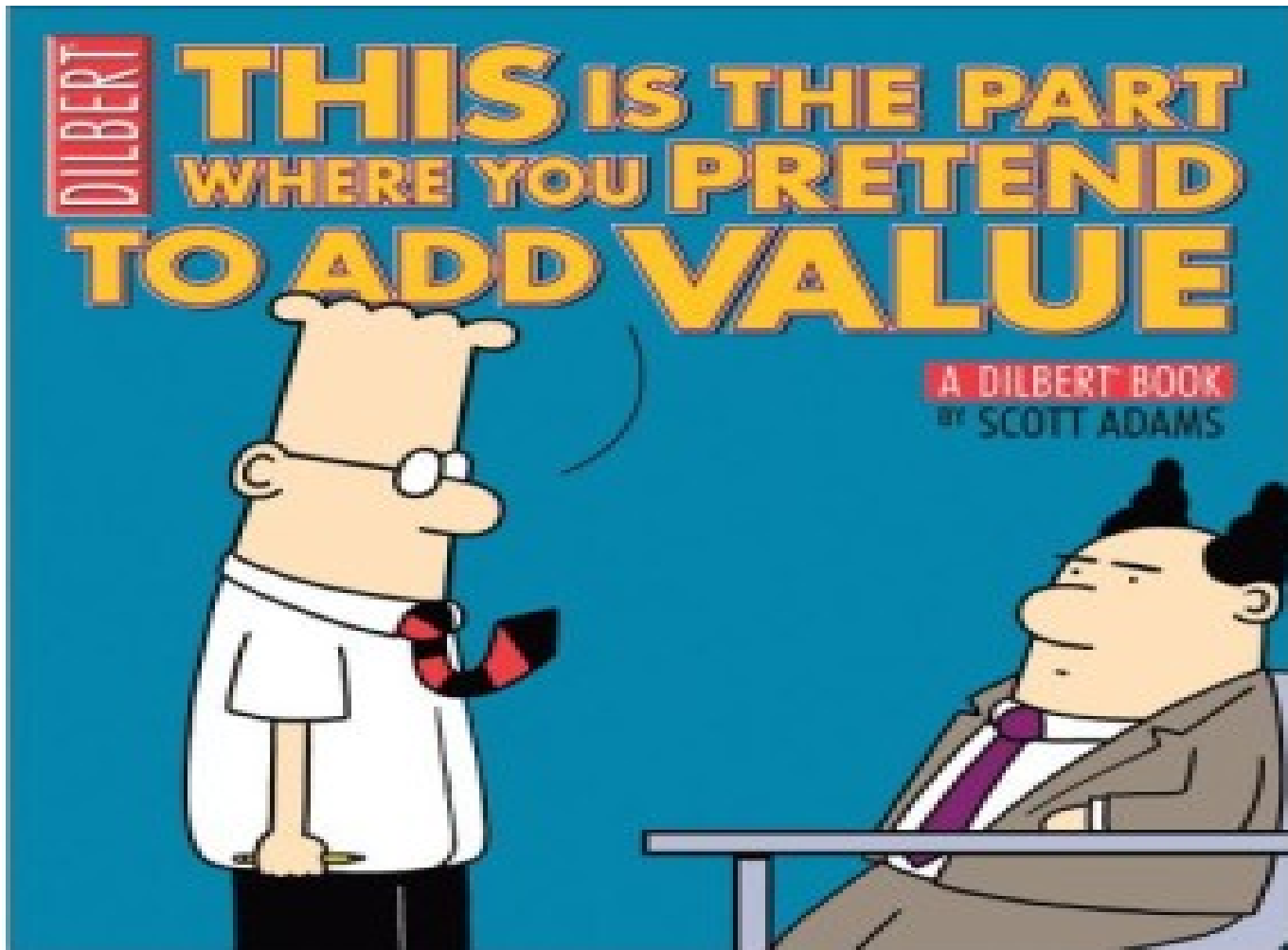


What is CUF?



CUF and SB/DVBE Certified Firms

**All California-certified SBs and DVBEs
(contractors, subcontractors and
suppliers of goods/services)
bidding on / participating in a state
contract, regardless of the
procurement approach or the payment
method used,
must perform CUF!**

CUF and SB/DVBE Certified Firms



Just because a business is a California Certified SB/DVBE does NOT mean that they are automatically CUF compliant. In addition, if a SB/DVBE is CUF compliant in one transaction does NOT mean that they are or will be CUF compliant in the next transaction

What is Performing CUF?

A SB/DVBE certified firm (prime contractor, subcontractor or supplier of goods/services)...

❑ Performs CUF when is doing all of the following:

- ✓ Executing a distinct element of the contract work including supplying of goods/services.
- ✓ Performing, managing, or supervising the work including supplying of goods/services.
- ✓ Performing work that is normal for the firm's business services and functions.
- ✓ Is responsible, with respect to products, inventories, materials and supplies required for the subcontract, for negotiating price, determining quality and quantity, ordering, installing (if applicable), and paying for the material.
- ✓ Not subcontracting a portion of the work greater than expected by industry practices.

What is NOT Performing CUF?

A SB/DVBE certified firm (prime contractor, subcontractor or supplier of goods/services)...

Does NOT perform CUF if:

- ✓ An extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of SB/DVBE participation.
- ✓ Not being used to perform the work as stipulated in the bid.
- ✓ No longer used to provide good/services listed in initial bid response.

A stylized icon of a balance scale with two pans, set against a green background with a white border. The scale is tilted slightly to the right, and there are five red triangles above the left pan, suggesting a balance or justice theme.

CUF Purpose, Legislative Intent

Purpose

- To provide reasonable assurance that no SB/DVBE is used as a pass-through on contracts.
- To prevent artificial/incidental SB/DVBE participation to meet the bid requirements.
- To ensure SB/DVBE incentives/preferences provided at bid evaluation are for services/goods that are part of the contract.

Authority

SB 1510 (Statutes of 2012) strengthened CUF requirements in:

- SB - Government Code 14837(d)(4)(A)
- DVBE - Military and Veterans Code 999(b)(5)(B)

CUF

Contracting/procurement officials of the awarding department must:

- (1) Evaluate if a DVBE awarded a contract meets the CUF requirements**
- (2) During the duration of the contract, monitor for CUF compliance**

If a CUF evaluation identifies potential program violations, awarding departments shall investigate and report findings to OSDS, referring to §§ 1896.88, 1896.91 and the State Contracting Manual.

Awarding Department Responsibilities

Pre-contract award:

- Review Bidder Declaration
- Conduct CUF Evaluations
- Perform research, market analysis
- DOCUMENT IN FILE

Post-contract award:

- Determine if primes/subcontractors perform CUF
- Approve/deny subcontractor substitutions
- Monitor contract performance

CUF Resources

DGS Website: <https://www.dgs.ca.gov/PD>

under Buying Through State Contracts tab:

- Sample CUF Departmental Policy
- FAQs regarding CUF
- CUF Evaluation and Determination Worksheet
- DVBE Incentive Program Requirements for Goods and Information Technology

Contact :

- Contracting/Procurement Officials
- SB/DVBE Advocates, Directory available at:
<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Small-Business-Disabled-Veteran-Business-Enterprise-Advocate-Directory>
- OSDS Website:
<https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Office-of-Small-Business-and-Disabled-Veteran-Business-Enterprise/Outreach-Program>