

Disabled Veteran Business Enterprise (DVBE) Subcontracting Report

TRAINING AND RESOURCE

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Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS)

HOUSEKEEPING ITEMS

- Today's training is being recorded, but we will stop the recording before the Q&A section at the end.
- Keep your microphone muted.
- Keep cameras off.
- During the presentation, use the chat to ask questions. We will create a Q&A with all questions from the chat.
- Today's slides have been made available in the chat.
- For any technical issues, reach out to Advocate@dgs.ca.gov.

TRAINING OUTLINE

- Background
 - Legislation, Statutes, Regulations, and Procedures
- DVBE Reporting Requirements
- DVBE Reporting Forms
- Reporting Resources

DVBE SUBCONTRACTING REPORT'S LEGAL AUTHORITIES, PROCEDURES AND POLICIES

- The withhold, permanent deduction and reporting requirements apply to all departments even if a department is **not required** to submit for the Consolidated Annual Report (CAR).
- The purpose and functions of both the STD 817 and DGS PD 810D forms are separate from CAR requirements **and** are not completed through FI\$Cal.
- **All contracts** where the prime made a commitment to a DVBE subcontractor must be included on the DGS PD 810D even if an STD 817 is not received from the prime contractor.
- **All departments** must submit their DGS PD 810Ds to OSDSReports@dgs.ca.gov even if there is nothing to report.

RELEVANT LEGISLATION

➤ Assembly Bill 230 (Brough, Chapter 676)

- Amended Military and Veterans Code (MVC) Section 999.5.
 - Prime contractor to provide proof of payment, upon request of awarding department, and the amount and percentage of work committed to DVBE subcontractor(s).
 - Prime contractor to use DVBE subcontractors in their proposed bid or proposal.
- Amended Government Code (GC) Section 14841
 - Prime contractor to report actual percentage of participation achieved.
- Added Public Contract Code (PCC) Section 10230
 - Contracts to include provision about compliance with DVBE program.

➤ Assembly Bill 1365 (Veterans Affairs Committee, Chapter 689)

- Added MVC Section 999.55.
 - Retention of records for minimum of SIX years.

RELEVANT LEGISLATION PT. 2

➤ Senate Bill 588 (Archuleta, Chapter 80)

- Amended MVC Section 999.5.
- Added MVC Section 999.7.
 - STD 817 - Prime Contractor's Certification form created because of this bill.
 - Departments to withhold either \$10,000 or full final payment if less than \$10,000 until prime contractor complies with certification requirements.
 - Departments to send cure notice to prime contractors if STD 817 is not received or does not indicate the full payment to their DVBE subcontractor(s).
 - Departments to permanently deduct the withheld amount if prime does not comply with certification requirements.
 - DGS to establish ways for meeting withhold, deduction, and reporting requirements for contracts used by multiple state agencies.

RELEVANT LEGISLATION PT. 3

- Assembly Bill 1574 (Committee on Jobs, Economic Development, and the Economy, Chapter 756)
 - Requires bids or offers to include the DVBE subcontractor information and a certification (under the penalty of perjury) that the work done by each subcontractor serve as a commercially useful function (CUF).
 - Requires departments to make continuous efforts to expand the pool of certified businesses they contract with and to seek out certified businesses that have not done business with the state.
- Assembly Bill 2019 (Petrie-Norris, Chapter 730)
 - OSDS to take appropriate remedial actions against mandatory agencies that do not meet participation goals 3 out of 5 reporting years.

STATUTORY REQUIREMENTS, REGULATIONS AND PROCEDURES

- Military and Veterans Code Section 999 et seq.
- Government Code Section 14841
- Public Contract Code Section 10230
- California Code of Regulations Section 1896.78
- State Contracting Manual (SCM) Volume 1, Chapter 8, Section 8.16
- SCM, Volume 2 Chapter 12, Section 1203.1
- Broadcast Bulletin No. P-05-21 - SUBJECT: New DVBE Contracting and Reporting Requirements

SCM, VOL. 2, CH. 12, SECTION 1203.1

PROCEDURE

For contracts awarded where a prime contractor has committed to achieve a DVBE participation goal, state departments are required to establish procedures that implement the policy and procedures noted herein. The procedures must include, at a minimum, the following elements:

	What	Who	When
1	<p>Include the applicable DVBE Program Requirements in the solicitation (verbal or written) whenever the solicitation includes the DVBE participation requirements.</p> <p>Departments may use the sample DVBE Program Requirements documents found here:</p> <ul style="list-style-type: none"> • DVBE Program Requirements • DVBE Program Requirements – Goods and IT 	Awarding Department	Solicitation development before execution.
2	The awarded contract must include contract language and specific payment provisions to describe the requirements including the Prime Contractor's Certification-DVBE Subcontracting Report STD 817 .	Awarding Department	Upon contract award.
3	The completed STD 817 is required to be submitted to the contract manager.	Prime Contractor	Upon completion of the contract, no later than final invoice.

SCM, VOL. 2, CH. 12, SECTION 1203.1

	What	Who	When
4	<p>Withhold \$10,000, or full payment if less than \$10,000, from a prime contractor's final payment pending receipt of a complete and accurate STD 817.</p> <p>Do not withhold more than \$10,000 for the purposes of ensuring compliance with the STD 817 certification requirement.</p>	Contract Manager	Pending receipt of an accurate and complete STD 817 .
5	Receive and review STD 817 for completeness and accuracy.	Contract Manager	Upon receipt but no later than 5 business days.
6	Authorize payment of the withhold upon review and determination that the STD 817 received is accurate and complete.	Contract Manager	Immediately.
7	<p>If the STD 817 is received but is found by the department to be incomplete or inaccurate, or if the STD 817 is not received by the final invoice, the department must send the prime contractor a cure notice allowing at least 15 calendar days, but not more than 30 calendar days to meet the certification requirements.</p> <p>The notice must inform the prime contractor of the consequence of a permanent deduction if the prime refuses to comply.</p>	Contract Manager	<p>Within 15 calendar days of either:</p> <p>Receipt of an incomplete STD 817</p> <p>Or</p> <p>Final invoice wherein the STD 817 is not received.</p>

SCM, VOL. 2, CH. 12, SECTION 1203.1 PT. 2

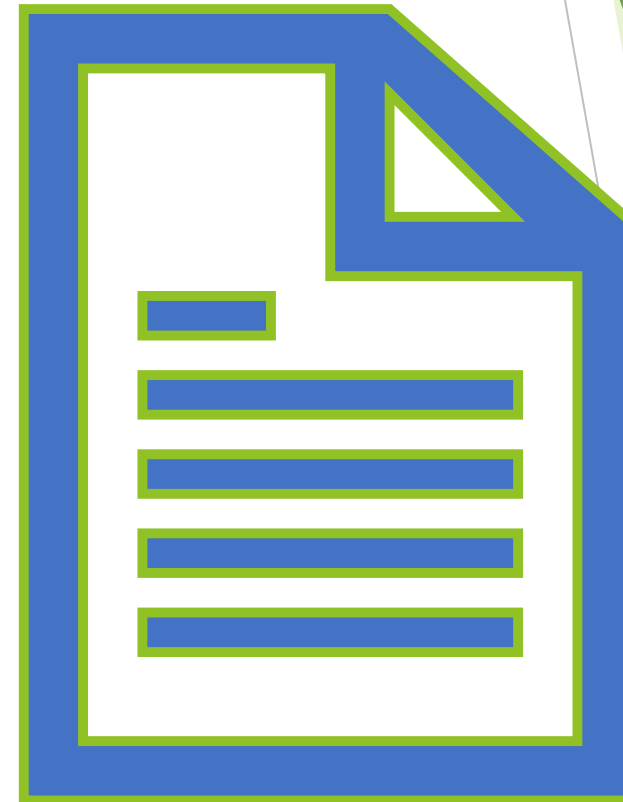
	What	Who	When
8	Permanently deduct the withheld amount when the prime contractor refuses to comply with the STD 817 requirement after given an opportunity to cure.	Contract Manager	No later than the 31 st day from the cure notice.
9	The state department receiving the goods or services must retain in the procurement file all records related to the Prime Contractor's Certification – DVBE Contract Report (STD 817) submittal.	Contract Manager	Minimum of six years from the receipt of the records.

- At a minimum, **all** departments must follow these procedures!
- Departments are to compile all information tied to contracts that had a commitment amount to a DVBE subcontractor onto the DGS PD 810D!

IMPORTANCE OF UNDERSTANDING THE LEGAL AUTHORITIES, PROCEDURES AND POLICIES

- The withhold, permanent deduction, and reporting requirements **apply to all departments.**
- **All contracts** where the prime made a commitment to DVBE subcontractor(s) must be included on the DGS PD 810D even if an STD 817 is not received from the prime contractor.
- **All departments** must submit their DGS PD 810Ds to OSDSReports@dgs.ca.gov even if there is nothing to report.
- The DGS PD 810D is an important compliance tool and is used to identify prime contractors that are regularly not meeting their commitments to use DVBE subcontractors or the certification requirements of the DVBE Program.

PRIME CONTRACTOR'S CERTIFICATION - DVBE SUBCONTRACTOR REPORT (STD 817)



PRIME CONTRACTOR'S CERTIFICATION - DVBE SUBCONTRACTOR REPORT (STD 817)

State of California
Department of General Services - Procurement Division
Prime Contractor's Certification - DVBE Subcontractor Report
STD 817, Formerly DGS PD 810P

Page 1 of 5

STATE DEPARTMENT AND CONTRACT INFORMATION							
State Department Information		Contract Information		Prime Contractor Information		FOR STATE USE ONLY	
State Department Name:		Contract #:		Name:		Date Received:	
State Department Address:		FISCAL Supplier ID#:		Address:			
Contract Manager Name:		Contract Execution Date:		Phone #:			
Contract Manager Phone #:		Date Work Completed:		Email:			
Contract Manager Email Address:		Contract Award Amount:		Date Last Payment Received:			
				Contract Received Amount:			
SECTION 3 List all Disabled Veteran Business Enterprise firms involved with this contract.							
(A) DVBE Subcontractor(s) Name	(B) DVBE Subcontractor(s) Address	(C) DVBE Certification ID Number	(D) Total Contract Commitment Percentage to DVBE	(E) Total Contract Commitment Amount to DVBE	(F) Total Payment Amount to DVBE	(G) Difference in Amount Paid to DVBE (F - E)	(H) Percentage Paid to DVBE (F/Contract Received Amount)
Number of DVBE Subcontractors		Grand Total		\$ 0.00	\$ 0.00	\$ 0.00	0.00%
1.			0.00%			0.00	0.00%
2.			0.00%			0.00	0.00%
3.			0.00%			0.00	0.00%
4.			0.00%			0.00	0.00%
5.			0.00%			0.00	0.00%
6.			0.00%			0.00	0.00%
7.			0.00%			0.00	0.00%
8.			0.00%			0.00	0.00%
9.			0.00%			0.00	0.00%
10.			0.00%			0.00	0.00%
11.			0.00%			0.00	0.00%
12.			0.00%			0.00	0.00%
13.			0.00%			0.00	0.00%
(I) Comments/Explanations							
Use next page for additional lines							
I certify under penalty of perjury under the laws of the State of California that all information submitted is true and correct.							
Prime Contractor Print Name:						Date:	
Title:							
Signature:							
Return upon completion of contract.							
Americans with Disabilities (ADA) Notice: Persons with disabilities requiring reasonable modifications should contact the OSDS Report Coordinator at OSDSReports@dgs.ca.gov							

PRIME CONTRACTOR'S CERTIFICATION - DVBE SUBCONTRACTOR REPORT (STD 817) PT. 2

- Applicable to all contracts with DVBE Subcontractors, awarded or amended on or after Jan. 1, 2021, that ended during the fiscal year you are reporting on.
- STD 817 must be fully completed by prime contractor.
- Due upon completion of contract. Completion of contract may vary with each department.
- ONLY one contract per STD 817.
- Captures DVBE subcontractors' information that performed work on a contract.
- Multiyear Contracts due at the end of the contract (not every year).

PRIME CONTRACTOR'S CERTIFICATION - DVBE SUBCONTRACTOR REPORT (STD 817) Cont.

- Departments to
 - Withhold \$10,000, or full payment if less than \$10,000, from a prime contractor's final payment pending receipt of a complete and accurate STD 817 (Per SB 588).
 - Receive and review STD 817 for completeness and accuracy.
 - Provide cure notice and allow 15-30 days to cure (Per SB 588).
 - If prime contractors comply, the withhold is to be released.
 - Permanently deduct the withheld amount if prime contractor does not comply (Per SB 588).
 - Retain in the procurement file all records (supporting documents) related to the Prime Contractor's Certification - DVBE Contract Report (STD 817) submittal for a minimum of 6 years from date of receipt (Per AB 1365).
 - Upon request, prime contractors are required to provide to the awarding department proof of payment to the DVBE subcontractors (Per AB 230).

LEVERAGED PROCUREMENT AGREEMENTS WITH DVBE SUBCONTRACTORS - DEPARTMENTS

- Departments are responsible for receiving the STD 817, and meeting the withhold, deduction and reporting requirements for LPAs that require competition as well as statewide contracts for “big ticket items.”
 - **Request For Offer (RFO)** - California Multiple Award Schedules (CMAS), Master Service Agreements (MSA), Cooperative Agreements, and Software Licensing Program (SLP).
 - **“Big ticket items”** - Heavy equipment, such as fire trucks, helicopters, etc.
- Always follow the **User Instructions!**
- Follow Certification of Payment Option instructions when using an LPA that was active before 2021:
 - CMAS Certification of Payment Options
 - Master Agreements Certification of Payment Options
 - SLP Certification of Payment Options

LEVERAGED PROCUREMENT AGREEMENTS WITH DVBE SUBCONTRACTORS - DEPARTMENT OF GENERAL SERVICES (DGS)

- DGS Procurement Division (PD) is responsible for receiving the STD 817, applying applicable withholds and permanent deductions, and reporting on LPAs that do not include a competitive element. For example, - statewide commodities contracts.
- Compliance will be ensured through capturing DVBE subcontracting information throughout the term of the contract and, if needed, will provide the prime contractor an opportunity to cure.
- DGS PD will submit an 810D to OSDSReports@dgs.ca.gov for these contracts.

STATE DEPARTMENT'S DVBE SUBCONTRACTING REPORT (DGS PD 810D)



STATE DEPARTMENT'S REPORT DGS PD 810D

State Department's Contractor DVBE Subcontracting Consolidation Report										STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES									
DGS PD 810D (Rev. 11/2021) Formerly GSPD 810D										Fiscal Year		PROCUREMENT DIVISION							
Agency										City									
Department										Zip									
Address																			
Preparer's Information										Approver's Information									
Name					Title					Name					Title				
Signature										Signature									
Telephone					Prepared Date					Telephone					Approver Date				
Email										Email									
										Total Number of Completed Contracts									
(A) Purchase Order Number or Contract Number	(B) Prime Contractor Name	(C) Prime Contractor FISCAL Supplier ID	(D) Withhold Amount for STD 817	(E) Contract Completion Date	(F) Date STD 817 Received	(G) Number of Days Between STD 817 Received Date and Contract Completion Date (F - E)	(H) Total Contract Award Amount	(I) Total Amount Paid to Prime	(J) DVBE Contract Commitment Amount	(K) Total Amount Paid DVBE Sub(s)	(L) Total Percentage Committed to DVBE Sub(s) (J/H*100)	(M) Total Percentage Paid to DVBE Sub(s) (K/I*100)	(N) Permanent Deduction Amount for STD 817 Noncompliance	(O) Explanation for the difference between DVBE commitment and what was paid to DVBE					
0			\$ 0.00				\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00%	0.00%	\$ 0.00						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
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			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
			\$				\$	\$	\$	\$	0.00%	0.00%	\$						
Comments:																			

STATE DEPARTMENT'S DVBE SUBCONTRACTING CONSOLIDATION REPORT (DGS PD 810D)

- The report is due annually to OSDS on Nov. 1.
- Compiles information from all contracts with DVBE requirements completed in the fiscal year, even when a Prime Contractor's Report (STD 817) was not received.
- Include contracts issued by DGS or any other department on behalf of your department.
- Any department that has not requested an extension and that does not submit their report by the deadline will receive a Deficiency Notice.

Exceptions: For statewide commodities contracts, Prime contractors report that information to DGS.

STATE DEPARTMENT'S DVBE SUBCONTRACTING REPORT (DGS PD 810D) PT. 2

- Each line represents **ONE** prime contractor's report (STD 817).
- Include one line for each STD 817 sent to the prime contractor if received or not.
- Attach additional copies of page 2 if more lines are required.
- All contracts where the prime contractor has agreed to subcontract a portion of the work to a DVBE must be reported.
- Supports electronic signatures.
- Email to OSDSReports@dgs.ca.gov.

WHAT NOT TO INCLUDE ON THE (DGS PD 810D)

- Contracts that did not include DVBE Subcontractors, even if the prime contractor was a DVBE.
- Contracts that were not completed during the fiscal year you are reporting on, including ongoing multiyear contracts.
- Retention amounts, late payment penalties, or any other withheld funds or incurred penalties not related to DVBE subcontracting requirements in the withhold or permanent deduction columns.
- Contracts with small business subcontractors, unless this small business is dual certified as DVBE. This report is only for DVBE subcontractors.

REPORTING IS REQUIRED!

- All Agencies/Departments must report.
- If a department did not receive STD 817s from one or more prime contractors, fill out the information for the contracts with DVBE subcontractors completed during the fiscal year in the field.
- Permanently deduct the withheld amount when the prime contractor does not comply with the STD 817 requirement after given an opportunity to cure. State departments should consult with their legal and accounting offices on harmonizing compliance with this policy and the prompt payment and disputes provisions of contracts.
- If no contracts with DVBE subcontractors were completed during the fiscal year, enter 0 in the number of contracts completed field and enter “Nothing to report” in comment section.

DUE DATE NOVEMBER 1

Email to OSDSReports@dgs.ca.gov

Note: Do NOT include the Prime Contractor's DVBE subcontracting reports (STD 817) with this report.

SAVE these reports in your records!

DVBE SUBCONTRACTING REPORT WEBPAGE

- Go to <https://www.dgs.ca.gov/>
- Search for “DVBE Subcontracting Report”
- Click on [File a DVBE Subcontracting Report](#)
- Information Available:
 - Steps in Reporting Process
 - Report Forms and Instructions
 - Training and FAQs

DVBE SUBCONTRACTING REPORT RESOURCES

Forms

- [Prime Contractor's Certification - DVBE Subcontractor Report \(STD 817\)](#)
- [State Department's DVBE Subcontracting Report \(DGS PD 810D\)](#)

Compliance

- [Compliance Webpage](#)

FAQ

- [DVBE Subcontracting FAQ](#)

For questions about DVBE Program
Requirements contact: DVBE@calvet.ca.gov

For compliance concerns or reporting
potentially fraudulent activity, please reach
out to: SB.DVBEcompliance@dgs.ca.gov

For reporting questions email at:
OSDSReports@dgs.ca.gov

Contact Information

THANK YOU!

Questions?