

# Small Business/Disabled Veteran Business Enterprise First Policy (SB/DVBE First Policy)

## Why does the state support small and disabled veteran business enterprises?

There are 4.2 million small businesses in California.

99.9% of California businesses are small and employ 48% of California's private workforce.

Veterans make up 2.9 percent of workers and own 3.7 percent of businesses in California.

For every \$100 spent at a small business, about \$68 stays in California.

Small businesses are the economic engine of our State's economy. Contracting and procuring goods and services from small businesses creates and sustains jobs that strengthen our economy.

The State of California procures billions of dollars' worth of goods and services each year and can leverage spending power to achieve policy goals that help the people of California, such as the SB/DVBE First Policy.

## What is the SB/DVBE First Policy?

A policy that your department can implement to utilize the SB/DVBE Option whenever possible for contracts between \$5,000.01 and \$249,999.99 for Goods, Services and IT Goods and Services, or contracts under \$461,000 for Public Works.

Enables you to use a simplified procurement method that creates less work for everyone involved and enables your department to purchase goods and services more quickly and efficiently.

## Benefits of Adopting the SB/DVBE First Policy:

The SB/DVBE First Policy is the best way to ensure that your department meets or exceeds the minimum 25% SB and the 3% DVBE participation goals.

Adopting the policy enables you to grow your network of businesses that are interested in contracting with your department more effectively.

Executing and implementing a SB/DVBE First Policy provides support and direction from top management to ensure your department meets and exceeds SB/DVBE goals, as part of the department's procurement objectives.

The SB/DVBE First Policy provides clear guidelines with regards to when and how department buyers should purchase from SB and DVBEs.

## How to Adopt the SB/DVBE First Policy:

There is no specific process for adopting a first policy. The most common method is to issue a policy memo from the department director. To see a listing of departments with SB/DVBE First Policies, refer to the SB/DVBE Advocate Directory: [www.dgs.ca.gov/PD-Advocates](http://www.dgs.ca.gov/PD-Advocates)

Email questions to: [advocate@dgs.ca.gov](mailto:advocate@dgs.ca.gov)

**NOTES:** Most statistics were acquired from the U.S. Small Business Administration's 2024 Small Business Profile:  
[advocacy.sba.gov/wp-content/uploads/2024/11/California.pdf](http://advocacy.sba.gov/wp-content/uploads/2024/11/California.pdf)