

SB/DVBE OPTION

A streamlined procurement process to help increase SB/DVBE contracting participation

California state agencies and departments per Government Code 14838.5 and 14838.7 may use a streamlined procurement process known as the SB/DVBE Option. Contracting directly with a California certified Small Business (SB) or Disabled Veteran Business Enterprise (DVBE) for goods, services, and information technology is an expedient procurement option. The requirement is to obtain valid pricing quotes from a minimum of two SB or two DVBE businesses.

Note: The SB/DVBE procurement option can only be applied when contracting for the following amounts:

Goods, services and information technology valued between \$5000.01 and \$249,999.99

Exception: Public works contracts have a \$461,000 threshold

The SB/DVBE Option is an outstanding procurement tool for agencies and departments to reach or exceed California's legislatively mandated 25% small business participation and 3% DVBE procurement obligation.

The SB/DVBE Option is a streamlined procurement method notable for the following:

Innovation – It is a significant and laudable process that has expanded certified SBs and DVBEs opportunity to access and compete for billions in state contracting opportunities.

Transferability – It can be easily adopted by any state or public agency. Because it guarantees SB/DVBE participation on the contracts on which it is used, it has been adopted by many California state departments as an internal policy to help increase SB/DVBE contracting goals.

Service Improvement – Use of the SB/DVBE Option has provided a steady increase in contracting participation for certified SBs and DVBEs and has assisted many departments with increasing their contract participation goals.

Cost Reduction and Time Savings – The SB/DVBE Option is the fastest and least expensive procurement process in comparison to other competitive methods. The cost reduction benefits at different stages of the contract process when using the SB/DVBE Option can result in time savings and include:

- No advertising
- A minimum of two bids required
- Potential one-day contract award
- No protest
- Flexible, convenient
- Increases SB and DVBE access to compete for state contracting opportunities
- Fastest and least expensive procurement process

For more details, go to www.dgs.ca.gov/OBAS/Resources and click on "DGS Contracting Commitment with Small Businesses, DVBEs."

E-mail questions to: advocate@dgs.ca.gov