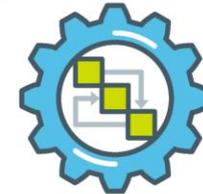


*DGS Certified Business*  
Quick Start Guide to  
SB/DVBE Option and  
Fair and Reasonable  
Solicitations

**State Contracting  
and Procurement**  
**TRAINING SERIES**  
*For Small Businesses and DVBEs*



# Introduction

## What is the SB/DVBE Option?

The SB/DVBE Option is a streamlined procurement method for California state agencies and departments pursuant to Government Code Section 14838.5.

The SB/DVBE Option allows state agencies to contract with California certified SBs or DVBEs for goods, services and information technology for purchases between \$5,000 to \$249,999.99 (Goods and Services) or \$461,000.00 (Public Works, BL 24-04).

- The agency obtains price quotations from two or more certified SB/MB businesses ("SB Option" solicitations) or two or more certified DVBE businesses ("DVBE Option" solicitations).
- DGS Certifications of SB and DVBE cannot be mixed.

# Introduction

## What is the Fair and Reasonable Acquisition Method?

The Fair and Reasonable acquisition method is the simplest and most straightforward acquisition method for very small contracts, under \$20,000.

The buyer need only get one bid that they determine to be fair and reasonable, and they can award the contract.

- While it is possible buyers may solicit bids from multiple businesses and receive and review multiple bids, only one is required so long as it is fair and reasonable.

The state buyer can use a variety of methods to make this fair and reasonable determination, which includes price comparison, catalogue or market pricing, controlled pricing, historical pricing, or a cost-benefit analysis.

# Six Steps to Get You Ready

1. Prepare for a Quick Turnaround
2. Identify Opportunities
3. Review Opportunities
4. Submit a Complete Response
5. Win and Deliver
6. Invoice Promptly

Follow these steps to enjoy one of the biggest benefits the state has to offer you as a certified business:

***SB/DVBE Option and Fair and Reasonable Contract Awards***



# Prepare for a Quick Turnaround

## Shorter Timelines

SB/DVBE Option and Fair and Reasonable are streamlined acquisition methods which often have shorter turnaround times and more flexible requirements than formal solicitations.

➤ RE: Goods, Services, Software.

## Standard Components

SB/DVBE Option and Fair and Reasonable solicitations generally require submittals in the format requested with standard forms as applicable to the specific purchase.

# Prepare for a Quick Turnaround – *continued*

## Prepare in Advance

Prepare a standard template and tools for your Business:

**Action:** *Create standard email templates for your business for easy customization*

**Action:** *Create a consolidated folder of most requested forms with your current business information*



# Prepare for a Quick Turnaround – *continued*

## Commonly requested forms for State Contracting:

### Bidders Declaration

*Required*

### Postconsumer-Content Certification

*Required*

### Declarations (STD 843)

Required when a DVBE contractor or subcontractor will provide materials, supplies, services or equipment  
*(Military and Veterans Code Section 999.2)*

### CA Civil Rights Laws Certification

Required for quotes over \$100,000  
*(Public Contract Code Section 2010)*

### Darfur

Review and determine if you need to complete and send back with your quote

### Payee Data Record (STD 204)

Required form to be on file with the state prior to payments being disbursed

### Payee Data Record Supplement (STD 205)

required if additional remittance addresses and/or supplier contacts need updating

# Identify Opportunities

## Research and Market Your Business

SB/DVBE Option and Fair and Reasonable contract opportunities are rarely posted publicly.

- You must market your business so buyers can invite you to participate.
- State buyers source bidder lists of currently certified businesses from the SB/DVBE Marketplace on Cal eProcure.
- Stay current and sell to the State to meet evolving business needs and challenges using these best practices and resources:

[UNSPSC Codes & Keywords](#)

[Spending Dashboards](#)

[Updated Cal eProcure Profile](#)

# Identify Opportunities – *continued*

## Notification and Invitation

You will receive SB/DVBE Option solicitations most frequently by email.

- Buyers will use the contact information on your Cal eProcure Profile.  
**Action:** *Make yourself easy to find – include multiple UNSPSC codes and keywords*
- It is becoming more common for SB/DVBE Option solicitations to be posted in the California State Contracts Register known as the CSCR.  
**Action:** *Sign up for notifications by UNSPSC code on CSCR*

# Review Opportunities

Upon receipt of a SB/DVBE Option or F&R solicitation, review the entire document and pay close attention to the following:

## Qualifications

Do you hold the required SB or DVBE certification? Each SB or DVBE Option solicitation will specify which certification is required. We cannot mix SB quotes with DVBE quotes.

Does this work require a license or other qualification?

## Key Action Dates

Can you deliver the quote on time to win the award?  
If awarded, can you deliver the items or services on schedule?

# Review Opportunities – *continued*

## Required Documents

What do you need to return to be considered for the opportunity? Some solicitations request just a quote, others request docs submitted at the time of quote.

## Response Format

How do you need to return your quote? By email? In a word doc or PDF? Pay attention to these details or the opportunity may be awarded to a different submittal that followed the instructions.

# Review Opportunities – *continued*

**How can you determine if the opportunity is a good fit for your business?**

## **Know Your Business**

Are you a certified SB or DVBE business that can perform a commercially useful function (CUF) in supplying the requested goods or services to the state as part of your normal business operations?

Are you qualified to perform the work detailed in the state's Scope of Work?

Can you provide the goods or services at a competitive price point?

# Review Opportunities – *continued*

## **Know Your Business** – *continued*

Can you provide a complete and accurate quote by the due date identified in the solicitation?

Can you provide all requested forms or supporting documentation by the due date identified in the solicitation?

## **Ask questions and follow directions**

Send questions about the opportunity to the Contract Administrator in writing and attend any walkthroughs if applicable.

# Submit a Complete Response

Read the solicitation thoroughly and follow the directions closely as specified in each opportunity:

- General Provisions.  
([HERE](#) for Non-IT Commodities and for IT Commodities)
- [Bidders Instructions](#).
- Complete all required documents.
- Complete the Price Quote and/or cost sheet as applicable.

# Submit a Complete Response – *continued*

## Submit a Timely Response

Send your quote and all required documentation to the email address identified in the solicitation before the deadline.

## Monitor Ongoing Solicitation Activity

- Be responsive to any inquiries.
- Keep an eye out for addendums.
- Review all changes as applicable (deadlines, work details, etc.)

# Win and Deliver

## Await Award Results

- If you are the apparent awardee, you will be notified in writing of any next steps required to execute the SB/DVBE Option or F&R contract award.
- Respond timely to ensure prompt award.
- Wait for approved contract and/or Purchase Order to be issued.

# Win and Deliver

## Follow Instructions to Deliver

- **Goods** – When a final purchase order arrives, check the buyer's communication for shipping instructions.
- **Services** – Signed service agreement initiates service delivery as per instructions.
- **Start-up meetings** for ongoing services are typically identified in the Scope of Work (SOW).

# Invoice Promptly

## Billing and Payment

Refer to your executed contract or email from the buyer for instructions on how to submit invoices and submit your invoice for payment.

The state of California has specific requirements for invoicing and payment which are set by code and statute.

To ensure prompt payment, be sure to follow the instructions in your executed contract or purchase documents on what information to include on your invoice and how to submit your invoice for payment.

# Invoice Promptly – *continued*

## Billing and Payment – *continued*

Invoicing requirements will be clearly laid out in the purchase documents.

### Invoices shall include:

- Contract Number.
- Date of Invoice.
- Date of Service.
- Location of Service.
- Description of Service(s), applicable rate(s), and total dollar amount as detailed on the cost sheet.
- A separate line item to identify Retention amount, as applicable.
- Contractor's California Certified Small Business Certification Reference Number or Disabled Veteran Business Enterprise Reference Number.
- Contact phone number for billing questions.
- Any additional documentation as noted in contract.



# That was six steps – *Start Today!*

For more details go to [www.dgs.ca.gov/OBAS/Resources](http://www.dgs.ca.gov/OBAS/Resources) and click on “*DGS Contracting Commitment with Small Businesses, DVBEs*”

Help Buyers find you in the Cal eProcure Bidders Notification Area  
[Sell to the State \(ca.gov\)](http://www.dgs.ca.gov)

Cal eProcure Certified Business Profile Area  
[California State Government Marketplace](http://www.dgs.ca.gov)

Find an open solicitation on the California State Contracts Register  
[Event Search \(ca.gov\)](http://www.dgs.ca.gov)

DGS SB/DVBE Training Series  
[www.dgs.ca.gov/PD-SB-DVBE-Training](http://www.dgs.ca.gov/PD-SB-DVBE-Training)