



**Department of General Services  
Procurement Division**

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**Broadcast Date: July 22, 2004**

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**TO: Purchasing Authority Contacts (PACs)**

**RE: Required Solicitation Language Relative to the New Non-Small Business Preference and Revised Bidders Instructions**

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The State's Bidders Instructions, Paragraph 20, has been revised to include language relative to the new non-small business preference.

- [Access the revised version of the Bidders Instructions here](#)

Effective immediately, departments granted purchasing authority by the Department of General Services must include the following language relative to the new non-small business preference in all written solicitations, except those solicitations conducted in accordance with Government Code Section 14838.5(a):

"A five percent (5%) bid preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the bid response must include a list of the small business(es) with which you commit to subcontract in an amount of at least twenty-five percent (25%) of the net bid price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code Section 14837(d)(4).

"The required list of California certified small business subcontractors must be attached to the bid response and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied, 5) and the dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor.

"Bidders claiming the five percent (5%) preference must commit to subcontract at least twenty-five percent (25%) of the net bid price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the Office of Small Business and DVBE Certification (OSDC) no later than 5:00 p.m. on the bid due date, and the OSDC must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDC at (916) 375-4940."

When applying the preference to a solicitation that is not written, the same concepts as required for a written solicitation must be applied, and the appropriate documentation must be retained in the procurement file.

These requirements will be added to the Purchasing Authority Manual (PAM) at the next quarterly revision.

For additional information regarding the new small business regulations, refer to the e-mail broadcast dated September 8, 2004, titled "New Small Business Regulations, effective September 9, 2004, that was distributed to all Procurement and Contracting Officers, Purchasing Authority Contacts, and State Contracting Advisory Network Members September 8, 2004.

Should you need assistance, please contact:

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