



**Department of General Services
Procurement Division**

707 Third Street, Second Floor, West Sacramento, CA 95605
(916) 375-4400 (800) 559-5529

Broadcast Date: December 12, 2012

Bulletin #: P-18-12

**TO: Purchasing Authority Contacts (PACs)
Procurement and Contracting Officers (PCOs)**

RE: Implementation of SB 1510 (Wright) Commercially Useful Function

Senate Bill (SB) 1510 (Wright) was signed by Governor Brown (Government Code Section 1. Section 14837 and Military and Veterans Code, Section 2. Section 999) and takes effect January 1, 2013. The bill amends existing statute that requires certified Small Business and Disabled Veteran Business Enterprise firms to perform a Commercially Useful Function (CUF) in order to receive and hold a state contract. Specifically, SB 1510 adds the following extra criterion to be used in the determination of CUF:

(iv) Is responsible, with respect to products, inventories, materials, and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.

DGS has already begun developing new comprehensive DVBE program regulations that reflect this change in the CUF law and will soon be developing Small Business Regulations and Policy for the implementation of this bill. In the interim, we ask that all departments take steps to use the above cited new element in evaluating contractor CUF on bids issued on or after January 1, 2013.

- [Access the full text of the bill through Leginfo here:](#)
- http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB1510&search_keywords

Questions or concerns regarding this contact may be addressed to:

Eric Mandell
(916) 375-4608
eric.mandell@dgs.ca.gov