



**Department of General Services
Procurement Division**

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Broadcast Date: July 12, 2023

Bulletin #: E-04-23

**TO: Purchasing Authority Contacts (PACs)
Procurement and Contracting Officers (PCOs)
Disabled Veteran Business Enterprises (DVBEs)
Small Businesses (SBs)
Small Business and DVBE Advocates
Small Business Advisory Council Members
CalVet DVBE Advisory Council Members**

**RE: Adoption of Small Business and Disabled Veteran Business Enterprise
Regulations Effective June 29, 2023**

The Department of General Services (DGS), Procurement Division (PD), Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS) has revised the Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) Services Regulations located in California Code of Regulations (CCR), Title 2, Division 2, Chapter 3, Subchapters 8, 10 and 10.6, Sections 1896 –1896.99.120. The revised SB and DVBE Regulations are effective June 29, 2023.

In order to meet and exceed state departments' 25 percent SB participation goals, a new Section 1896.5 Small Business Participation Goals was added to the SB regulations that will require departments to implement procedures and expand their pool of SB and DVBE bidders, as well as to include explicit authority for departments to set contract-specific SB participation. The new Section 1896.5 requires departments electing to set contract-specific SB participation goals to establish appropriate SB participation requirements, describes the determining factors for setting SB participation goals, and includes the requirements for potential bidders to qualify as responsive bidders on contracts with SB participation.

Additionally, SB and DVBE Regulations were revised to incorporate the DVBE-related chaptered legislation listed below, as well as other programmatic and technical updates for clarity purposes.

- Chapter 756, Statutes of 2021, Assembly Bill 1574 (Sections 9, 15 only)
- Chapter 80, Statutes of 2020, Senate Bill 588
- Chapter 676, Statutes of 2019, Assembly Bill 230
- Chapter 689, Statutes of 2019, Assembly Bill 1365

Public comment periods occurred between September 2 and October 17, 2022, and between May 15 and May 30, 2023. A public hearing was held on October 17, 2022. All documentation pertinent to the adoption, will be available for at least six months following the effective date on this DGS webpage:

[Notice of Rulemaking Regulations for SB, DVBE \(ca.gov\)](#)

Please direct any questions or inquiries regarding the SB and DVBE Regulations to:

DGS – Procurement Division
Office of Small Business & DVBE Services
Attention: Regulations Coordinator
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If you have questions regarding this notification, please contact:

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