

Veterans Housing and Homelessness Prevention Program



Disabled Veteran Business Enterprise (DVBE) Utilization Requirement Guide

The Sponsor will assign a DVBE Plan Administrator (Administrator) responsible for implementing the DVBE Utilization Plan (Plan) to achieve the required DVBE utilization percentage (VHHP Guidelines, Section 109(a)). The contact information of the Administrator must be stated in the Plan located in the VHHP Supplemental Application. All reporting and related documents, including changes to the Plan, shall be provided to the California Department of Veterans Affairs (CalVet) VHHP Analyst at VHHP@CalVet.ca.gov.

DVBE Plan Administrator Role

The Administrator and the Sponsor are responsible for awarding at least 5% of the total construction costs to DVBEs. The Administrator shall do all of the following:

Prior to beginning construction, notify CalVet of the selected prime contractor and timeline for bid solicitation.

Pre-Construction Report

List DVBEs solicited and awarded contracts for trade work and/or supply purchases prior to start of construction.

- Provide the DVBE certification number, trade, and contract amount
- If 5% requirement is not satisfied, work with CalVet to solicit DVBEs as needed supplies and trade work are warranted

Post-Construction Report

Include all information from Pre-Construction Report.

List DVBEs that received payment and include proof of payment.

- If the project fails to achieve the 5% requirement, provide documentation on all methods and attempts used and submit complete written justification with records (Increased construction costs after the VHHP award are not considered an acceptable reason for failing to meet the 5% DVBE utilization requirement)
- Records to include but not limited to:
 - Contacts with DVBEs (methods, bids, name and contact information for applicable representative of the DVBE, evidence of negotiating with high bid DVBE(s), result of contacts)
 - Bid comparisons must include at least 3 DVBE bids
 - Advertising solicitation (methods, receipts, verifiable length of time advertisement was available)
- Additional documentation may be requested by CalVet

Advertising and Solicitation Suggestions

All trades should be made available to DVBE subcontractors.

Explicit determination regarding prevailing wage must be provided.

Distribute contracting solicitations to CalVet and to DVBE organizations such as:

- California DVB Alliance
- Elite Service-Disabled Veteran-Owned Business Network
- Southwest Veterans' Business Resource Center
- Veterans in Business (VIB) Network

Utilize Trade and Focus Publications and DVBE Referral Organizations; list can be accessed at <http://www.dgs.ca.gov/pd/Resources.aspx> by clicking on "List of Small Business & DVBE" bar under Resources.

Send out bid solicitations to all qualified DVBEs and to the VHHP Analyst. DVBEs can be located at

<https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>.

Make plans and specifications available through a variety of delivery methods.

Initial email and fax solicitations should be made at least one month prior to the bid due date.

Offer assistance to obtain bonds, lines of credit or insurance, necessary equipment, supplies, or materials.

Follow-up by phone and email with DVBE bidders and on offers of assistance.

Offer preference to non-DVBE subcontractors who commit to use DVBE suppliers.

Document the identity of any expended monies.

Preferences

If utilizing a DVBE as the prime contractor, the DVBE percentage will be the percentage of construction costs less the compensation paid to non-DVBE subcontractors.

DVBE subcontractors whose price is reasonably close to that of non-DVBE subcontractors. If DVBE bids exceed the lowest bid by more than 10%, offer a counter bid to see if DVBE can price match.

DVBE trade work is preferred over supply purchases.

DVBE Percentage Waiver

Waivers for the 5% requirement will be considered once the final Certificate of Occupancy is issued and must be requested via email to CalVet.

A waiver will only be considered on projects achieving at least 1% DVBE utilization.

Waivers will be considered if the following conditions exist:

- Unanticipated DVBE initiated cancellation of contract
- DVBE violates contract terms, goes out of business or loses DGS certification post contract award. The project can provide an explanation and evidence, to the satisfaction of CalVet and HCD, that

every effort was made to meet the requirement (only for projects achieving at least 1% DVBE utilization).

Utilization Extension Agreement

If a Sponsor is unable to achieve the required DVBE utilization and is ineligible for a waiver, an agreement to achieve 5% utilization may be considered. Agreements will include the following:

- Reporting terms
- Time extension to achieve utilization requirement
- Use of alternative affordable housing projects where DVBEs can perform trade labor or supply building materials
- Calculation of remaining amount needed based on final total construction cost of awarded VHHP project
- Moratorium of negative points assessment until agreement is successfully completed or failure to adhere to terms
- Cancelling of negative points upon successful completion of agreement