

DISABLED VERERAN-OWNED BUSINESS ENTERPRISE (DVBE) REQUIREMENT AND INCENTIVE

In accordance with state law and consistent with the Trustees of the CSU policy to utilize Disabled Veteran Business Enterprise (DVBE) in contracting to the maximum extent possible, a participation goal of at least 3% for DVBE (3% of the contract proposed price each year), has been set. The incentive is required in solicitations that include DVBE program requirements and may be offered in other competitive solicitations.

The Proposer is required to either meet or exceed the defined DVBE goal identified in the solicitation. In awarding the contract the CSU will consider the Propers responsiveness to the DVBE goal and award the contract to the highest score or the lowest most responsive Proposer after all preferences and incentives have been applied. **NO PROPOSER WILL BE AWARDED A CONTRACT UNLESS THE PROPOSER HAS MET THE GOAL DEFINED IN THE SOLICITATION.**

The incentive is applied during the evaluation process and is only applied for responsive bids from responsible bidders proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation.

Solicitations may provide for an incentive scale under which bidders obtaining higher levels of participation qualify for greater incentives (see the sample incentive chart below). The incentive can be based on Low Price or High Score.

Award Based on Low Price: Incentive is applied by reducing the bid price by the amount of incentive as computed from the lowest responsive and responsible bid price. Computation is for evaluation purposes only. Application of the incentive cannot displace an award to a small business with a non-small business. The minimum incentive is 1%. Use of a higher incentive percentage(s) not to exceed 5% is allowed for a solicitation upon the need to meet participation goals. The solicitation may also have a cap of \$100,000 worth of incentive and preferences placed on a solicitation. Each solicitation will establish a cap of percentage and dollar threshold that is specific to the solicitation and the levels will be clearly defined in the bid document.

Award Based on High Score: Incentive points are included in the sum of non-cost points. Incentive(s) shall not exceed 5%, nor be less than 1% of the total available points, not including points for socioeconomic incentives or preferences.

SAMPLE INCENTIVE CHART

DVBE Percentage of Participation	Incentive Percentage Based Low Price Award	Incentive Points Based on High Score Award
3% up to 3.5%	1%	1
3.51% up to 3.99%	2%	2
4% up to 4.50%	3%	3
4.51% up to 4.99%	4%	4
>5%	5%	5