

**COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

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Purpose

To establish a Board Policy to promote Veteran Owned Business (VOB) and Disabled Veteran Business (DVB) participation in County Contracts.

Background

All veterans, and particularly disabled veterans, have made great sacrifices serving and defending our country. Their dedication and sacrifices have not gone unrecognized. The County, like the State and federal governments, has recognized veterans' service through contracting practices that promote successful veteran owned business participation in government contracting. This policy continues the County's practice of promoting successful veteran owned business participation in County contracting.

Policy

It is the policy of the Board of Supervisors to promote veteran owned business participation in County contracts by:

1. Establishing a three-percent (3%) DVB subcontractor participation goal in applicable County Procurements where the prime contractor intends to use subcontractors.
2. Exempting from competition, pursuant to Board Policy A-87 (Competitive Procurement), procurements from DVBS of goods and/or services.
3. Exempting from competition, pursuant to Board Policy A-87 (Competitive Procurement), informal competitive procurements set aside for VOBs.
4. Separating large contractual requirements into smaller segments to maximize VOB participation, when in the County's best interest.
5. Authorizing progress payments to VOBs as well as accelerating payment terms to 15 calendar days, as determined by the Auditor and Controller, where:
 - a. the VOB demonstrates in writing that early payments and progress payments are necessary for it to successfully complete its obligations under the agreement; and
 - b. the VOB is otherwise in good standing in performance of its duties under the contract.

Procedure

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1. Definitions.

- a. Disabled Veteran Business Enterprise (DVBE): A business certified by the State of California as a Disabled Veteran Business Enterprise.
- b. Service-Disabled Veteran-Owned Small Business (SDVOSB): A business certified by the federal government as a Service-Disabled Veteran-Owned Small Business (or successor federal certification for disabled veteran-owned businesses).
- c. Veteran Owned Small Business (VOSB): A business certified by the federal government as a Veteran-Owned Small Business (or successor certification for veteran-owned businesses).
- d. Veteran Owned Business (VOB): Collectively a VOSB, SDVOSB or a DVBE.
- e. Disabled Veteran Business (DVB): Collectively a SDVOSB or a DVBE.
- f. Procurement: The acquisition of services or public works, using a process of Formal Bidding, Competitive Negotiated Procurement, or Reverse Auction pursuant to Board Policy A-87 (Competitive Procurement); or the acquisition of professional services pursuant to Board Policy F-40 (Procuring Architectural, Engineering and Related Professional Services).
- g. Contract: An agreement, contract, or purchase order resulting from a Procurement.
- h. Director: The Director of the Department of Purchasing and Contracting.
- i. Special District: An entity established by State, federal or County law, regulation or Ordinance and where the governing body is exclusively comprised of the five members of the Board of Supervisors. The term Special District shall also include any authority whose governing body is exclusively comprised of the five members of the Board of Supervisors.

2. DVB Subcontractor Participation Requirements.

- a. DVB Subcontractor Participation Requirements are established for the following Procurements:

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- i. Procurements for Services or Professional Services estimated to exceed \$1 million: the prime contractor shall make a good faith effort to meet or exceed a 3% DVB Subcontractor Participation goal.
 - ii. Public Works Procurements estimated to exceed \$500,000 but not \$1 million: the prime contractor shall make a good faith effort to meet or exceed a 3% DVB Subcontractor Participation goal.
 - iii. Public Works Procurements estimated to exceed \$1 million: the prime contractor shall meet or exceed 3% DVB Subcontractor Participation goal.
- b. The DVB Subcontractor Participation Requirements of this Policy shall apply to all Procurements paid for in whole or in part out of County or Special District funds, with the following exceptions:
- i. Contracts where the prime contractor is a nonprofit organization.
 - ii. Contracts where the prime contractor is a Small Business Enterprise as that term is defined in Board Policy B-53 (Small Business Policy).
 - iii. Contracts where the prime contractor is a VOB.
 - iv. Public Works Procurements that implement federal or State requirements for disabled veteran contracting programs.
 - v. Procurements where DVB participation goals or requirements are prohibited or modified by State or federal law.
- c. Calculating DVB Subcontractor Participation.
- i. DVB Subcontractor Participation shall be calculated by taking the aggregate value of all DVB subcontractors proposed by the prime contractor as a percentage of the total value of the bid or proposal, or for professional services Procurements, the total value of the Contract.

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- ii. Indefinite delivery/indefinite quantity Contracts: DVB Subcontractor Participation shall be determined by calculating the DVB Subcontractor Participation for each individual task order.
 - iii. Only contractors that will perform a commercially useful function as defined by California Military and Veterans Code Section 999 or successor statute shall be used in the calculation of DVB Subcontractor Participation.
- d. Verification of compliance with applicable DVB Subcontractor Participation Requirements.
- i. Prime contractors shall submit for the County's review and approval a DVB subcontractor utilization plan.
 - ii. County departments shall document their verification of the prime contractor's compliance with the DVB Subcontractor Participation Requirements when recommending a Contract for award.
 - iii. Failure to provide adequate evidence of meeting a DVB Subcontractor Participation Requirement in response to the County's Procurement requirements or subsequent request for evidence may be grounds for disqualification from Contract award.
 - iv. For Procurements using Formal Bidding, if the lowest bidder does not comply with the DVB Subcontractor Participation Requirements of this policy, it shall be deemed ineligible for award, and the next lowest responsive and responsible bidder that complies with this policy will become eligible for award.
3. Implementation.
- a. The Director shall coordinate with the Office of Military & Veteran Affairs to promote this policy and its objectives.
 - b. The Director shall formulate and issue guidance specifying the procedures and processes to be followed to comply with the DVB Subcontractor Participation Requirements. The DVB Guidance shall generally be based upon the DVB or equivalent participation goal program for State contracts established by current California statutes and regulations.

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- c. The Director may waive the DVB Subcontractor Participation Requirements, in whole or in part, where enforcement would inhibit competition.
- d. Contractors with existing or future Contracts that include a DVBE requirement shall be in compliance with that requirement by using or by having used DVBEs, except where they are otherwise required to meet a DVBE goal by State, federal, local law, or the applicable funding source.

Responsible Departments

1. Department of Purchasing and Contracting
2. Department of Public Works
3. Department of Park and Recreation
4. Department of General Services
5. HHS – Office of Military & Veteran Affairs

Sunset Date

This policy will be reviewed for continuance by 12-31-2029.

References

Board Actions

5/14/96 (12)

9/30/97 (16)

3/12/2002 (10)

01/28/03 (16)

12/08/09 (16)

06/28/11 (9)

12/15/15 (21)

12/08/20 (25)

REVISION DATE