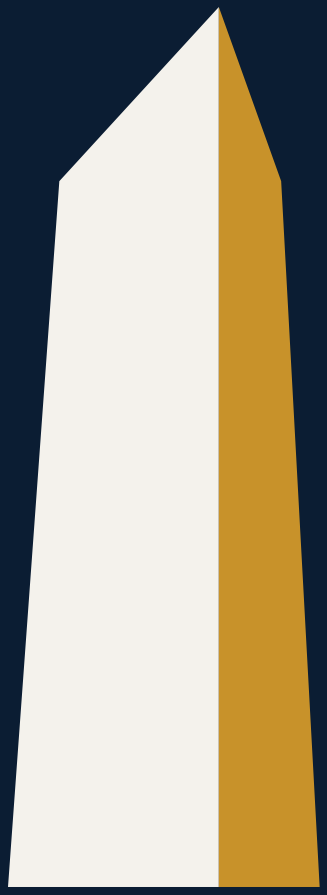
Tower Sales & Consulting

A PRACTICAL GUIDE FOR PRIME CONTRACTORS ON STATE-FUNDED WORK

DVBE Participation for Primes

What the requirement is, how it helps you win, how to stay compliant, and how Tower fits into your bid.



Tower Sales & Consulting
Carmichael, California
California Certified DVBE #2034325 | Small Business (Micro) | SDVOSB

November 2026 edition
towerdvbe.com

PART 1

The basics

California wants at least 3% of its contract dollars to reach businesses owned by disabled veterans. On many state-funded bids, that goal becomes a requirement or a scoring advantage for you, the prime (the company that holds the contract with the State).

3%	3 to 5%	Up to 5%	$10,000
standard minimum DVBE share of the bid when a requirement applies	range Caltrans sets on its state-funded contracts	bid incentive for primes that include a certified DVBE	held from final payment until your DVBE report is filed

Two ways it shows up in a bid

As a requirement. The solicitation says a set share of your bid must go to a certified DVBE. Leave it out and your bid can be rejected.

As an incentive. The State lowers your price on paper when you include a DVBE, which can move you ahead of a cheaper bidder. You are still paid your full bid.

Where it applies

State-funded contracts. Federally funded transportation work uses the federal DBE program instead, which is a separate certification. DVBE status does not count toward a DBE goal.

Standard incentive scale

DVBE SHARE OF YOUR BID	INCENTIVE
5% or more	5%
4% to 4.99%	4%
3% to 3.99%	3%

Capped at 5% or $100,000, whichever is less. A department can set different terms or waive the incentive.

WORKED EXAMPLE

How 5% DVBE participation wins a bid

	YOU	COMPETITOR
Bid price	$500,000	$490,000
DVBE share	5%	None
Incentive (5% of $490,000)	−$24,500	$0
Price used for ranking	**$475,500**	**$490,000**

You are ranked first and awarded the contract at your full $500,000 bid. In return you must actually buy at least $25,000 of the work from your listed DVBE.

Read the solicitation. These are the standard rules. Each solicitation states its own DVBE percentage and whether the incentive applies, and that is what governs. The example is simplified to show the idea.

PART 2

What primes must get right

Showing that you tried to find a DVBE is no longer enough. The DVBE's role must be real, documented in your bid, and carried out. Four moments matter.

AT BID

Document it

List each DVBE on the Bidder Declaration. Include its signed DGS PD 843 and a written confirmation from the DVBE stating the solicitation number, scope, dates, rate and total amount.

AT BID

Certify the role

Sign, under penalty of perjury, that each DVBE does real work (a "commercially useful function"). Check its certification on Cal eProcure first.

DURING THE CONTRACT

Use who you listed

A listed DVBE can be replaced only with written approval from the department and DGS, obtained before the substitute starts work.

AT COMPLETION

Report it

File the Prime Contractor's DVBE Subcontracting Report (STD 817). The department withholds $10,000 from final payment until it is complete and accurate.

The commercially useful function test

A DVBE's participation counts only if the DVBE does all of the following:

- ✓ Is responsible for a distinct element of the contract work
- ✓ Actually performs, manages or supervises that work
- ✓ Does work that is normal for its business
- ✓ Handles pricing, quality, quantity, ordering, installation where it applies, and payment for the materials it supplies
- ✓ Does not subcontract more of it than is normal in the industry

A firm that is only an extra participant through which money passes does not meet the test.

What is at stake

Missing DVBE paperwork can make a bid non-responsive. Violations of the program rules can lead to contract termination, civil penalties, suspension from state contracting, and loss of certification.

On Caltrans projects

Caltrans gives full credit to a DVBE supplier that performs a commercially useful function. You list your DVBEs on the Certified DVBE Summary at bid and file a final report at completion. Replacing a listed DVBE without approval costs you 10% of that DVBE's listed amount.

> **The simplest way to stay compliant is to give your DVBE a scope it genuinely runs:** it prices the items, places the orders, takes responsibility for delivery, and is paid by you for what it supplied.

PART 3 | WORKING WITH TOWER

Tower as your DVBE subcontractor

Tower is a California-certified DVBE and Small Business (Micro) that supplies the materials your contract already needs. We price them, order them, deliver them and stand behind them, which is what makes the participation count.

STEP 1

Plan

Pick your bid and list the materials you will buy through Tower. Our planner at towerdvbe.com shows when you reach the DVBE goal.

STEP 2

Quote

Send us the list. We price it, usually the same business day, and you review and approve online.

STEP 3

Bid

You receive a letterhead quote and a signed DGS PD 843 to include with your bid, and you list Tower as your DVBE.

STEP 4

After award

Order everything at once or on a delivery schedule to one or more sites. Track deliveries and download a DVBE participation report.

What we supply

- ✓ Safety and PPE, traffic safety
- ✓ Tools, fasteners, hardware and building supplies
- ✓ Electrical, plumbing, HVAC and filters
- ✓ Janitorial, jobsite and final-clean supplies
- ✓ Office, facility and furnishing products
- ✓ Technology hardware and peripherals
- ✓ Items sourced to your specification on request

Terms

Purchase orders, cards and net terms are accepted. There is no fee beyond the cost of the materials. Send your list at least two business days before bid opening where you can; if the bid is due today, call.

Why it holds up

A real commercially useful function. Tower negotiates the price, determines quality and quantity, places the order, takes title and pays the manufacturer. We do not run another vendor's order through our paperwork.

Two goals, one supplier. Tower is also a certified Small Business. If you are going for the 5% preference for placing 25% of your bid with small businesses, the same spend counts toward it.

A record with the State. More than 185 purchase orders awarded by 18 California state departments since August 2024.

Simple scope. We supply materials only. Nothing changes about how you staff or run the job.

The paperwork arrives with the quote. Signed declaration, certification documents and, after award, a participation report for your STD 817 or Caltrans final report.

VERIFY US

California DVBE #2034325, valid through 04/30/2028 | California Small Business (Micro) #2034325, valid through 07/31/2027 | SBA-certified SDVOSB | UEI RMUWXJ92J7C4 | CAGE 9GW37. Tower's DVBE certification applies to state-funded work and does not count toward a federal DBE goal.

REFERENCE

Checklist and contacts

Use this page on every bid that has a DVBE requirement or incentive.

Before you bid

- ✓ Find the DVBE percentage in the solicitation
- ✓ Pick the materials or work your DVBE will supply
- ✓ Confirm the DVBE's certification on Cal eProcure
- ✓ Get a written quote from the DVBE that names the solicitation number, scope, dates and total
- ✓ Get the DVBE's signed DGS PD 843
- ✓ List the DVBE and its percentage on your Bidder Declaration
- ✓ Sign the commercially useful function certification

After you win

- ✓ Buy from the DVBE you listed, for at least the amount you committed
- ✓ Pay the DVBE directly and keep proof of payment
- ✓ Get written approval before replacing a listed DVBE
- ✓ File your DVBE subcontracting report at completion

Forms you will see

FORM	WHEN	WHAT IT DOES
Bidder Declaration (GSPD-05-105)	With your bid	Lists each subcontractor, its certification and its share of the bid.
DVBE Declarations (DGS PD 843)	With your bid	Signed by the DVBE's disabled veteran owners. Tower provides this.
Prime Contractor's DVBE Subcontracting Report (STD 817)	At completion	Reports what you actually paid each DVBE.
Caltrans Certified DVBE Summary (DES-OE-0102.5)	With a Caltrans bid	Your DVBE commitment on Caltrans contracts.
Caltrans Final Report (CEM-2402S)	At completion	Caltrans's version of the final DVBE report. Departments may use their own forms.

GET A DVBE QUOTE

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Companion guide. New to selling to the State, or want to win state work in your own name? Ask for Tower's Introduction to State Contracting.

General information, not legal advice. Current to the best of our knowledge as of November 2026; the solicitation always governs. Sources: DGS DVBE Program Requirements; Military and Veterans Code section 999 et seq.; Caltrans Construction Manual section 8-4.