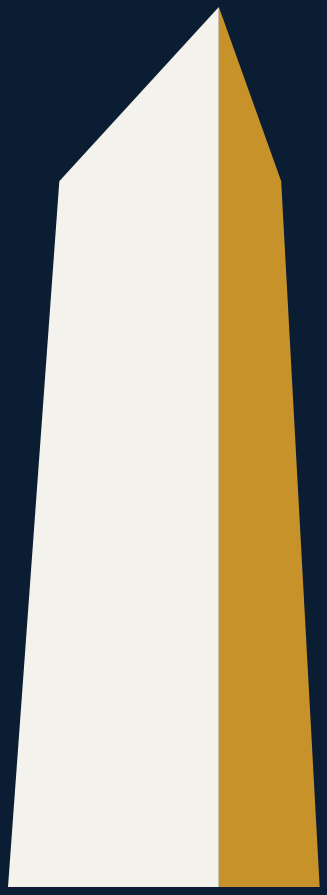
Tower Sales & Consulting

A PRACTICAL GUIDE FOR BUSINESSES THAT WANT TO SELL TO THE STATE

Introduction to State Contracting

How the State of California buys, what it takes to become a supplier, and how to submit a bid that gets accepted.



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

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towerdvbe.com

START HERE

The State of California is a customer you can learn.

State departments buy nearly everything a business sells, and they buy it by published rules. Those rules reward suppliers who are registered, certified, and easy to award to. This guide explains them in plain language.

25%	3%	$249,999.99	5%
of each department's annual contract dollars is the goal for certified small businesses	is the goal for certified disabled veteran-owned businesses (DVBEs)	ceiling for a streamlined award to a certified SB or DVBE on just two quotes	bid preference available to certified small businesses on applicable solicitations

Who this guide is for

THIS IS FOR YOU IF

- ✓ You sell a product or service that government agencies use
- ✓ You have never registered, certified or bid with the State
- ✓ Or you have tried, and found the process hard to follow

WHAT YOU NEED TO START

- ✓ A legal business with a federal tax ID
- ✓ A California seller's permit, if you sell goods
- ✓ A clear list of what you sell
- ✓ No fees. Registration and certification are free.

The short version

Five steps take you from outsider to state supplier. The rest of this guide explains each one.

1. Register. Create a free supplier account at caleprocure.ca.gov. p. 4

2. Get certified as a Small Business or DVBE if you qualify. It is also free. p. 5

3. Find your buyers. See which departments buy what you sell, and introduce yourself. p. 4

4. Answer exactly as asked. Right forms, right units, signed, on time. p. 7

5. Deliver what you quoted and invoice against the purchase order. p. 7

Want help? Tower can guide you through all five. p. 8

PART 1

How the State buys

There is no single front door. Each department runs its own purchasing under authority delegated by the Department of General Services (DGS), and the method depends mostly on dollar value.

The main buying methods

METHOD	SIZE	HOW IT WORKS	WHAT IT MEANS FOR YOU
Small purchases	Under $20,000	The buyer can accept a single quote if the price is fair and reasonable.	Rarely advertised. Buyers go to suppliers they know.
SB/DVBE Option	$5,000.01 to $249,999.99 (public works up to $484,000)	The buyer gets quotes from two certified small businesses, or two certified DVBEs, and picks one. No public advertising.	Only certified firms can compete.
Advertised bids	Larger or more complex buys	Posted publicly with a deadline. A Request for Quote (RFQ) or Invitation for Bid (IFB) goes to the lowest compliant price. A Request for Proposal (RFP) is scored.	Full paperwork. Bid preferences apply.
Existing state contracts	Any	The buyer orders from a contract the State has already bid, such as a statewide contract or a CMAS schedule. These are called Leveraged Procurement Agreements (LPAs).	No new bid is needed.
Public works	Construction	Licensed contractors bid the project and buy their materials from suppliers.	Suppliers usually sell to the contractor, not the State.

Who you will deal with

Department buyers. They issue solicitations and purchase orders, and decide who is asked to quote on informal buys.

SB/DVBE advocates. Nearly every department has one. Their job is to help it reach its 25% and 3% goals. A good first contact.

DGS Procurement Division. Writes the purchasing rules and runs statewide contracts and CMAS.

OSDS. The DGS Office of Small Business and DVBE Services, which certifies SB and DVBE firms.

> **The practical takeaway.** Much everyday state buying is never advertised. Being certified and known to buyers matters as much as watching the public bid board. Dollar limits change from time to time.

PART 2

Getting set up to sell

Registration and certification are free and done online. The work is in doing them correctly, in the right order, and with a profile that buyers can actually find.

1 **Put your business basics in order**
An active legal entity in good standing, a federal tax ID, and, if you sell goods, a California seller's permit. Buyers ask for a copy of the permit in most goods bids.

2 **Register in Cal eProcure**
Cal eProcure (caleprocure.ca.gov) is the State's supplier portal. Registration is free and gives you a bidder profile, access to solicitations, and the certification application. Choose the commodity codes that match what you sell, because they drive the notices you receive.

3 **Apply for certification if you qualify**
Small Business, Small Business for Public Works, and DVBE certifications are issued by DGS through the same portal. Certification is typically valid for two years. Page 5 covers eligibility.

4 **Prepare your standing documents**
A completed Payee Data Record (STD 204), your seller's permit, and your certification details are requested again and again. Keep clean, current copies ready so a quote can go out the same day.

5 **Research who buys what you sell**
The State Contract and Procurement Registration System (SCPRS) records purchases that departments report: who bought, from whom, and for how much. It is the best free market research available to a state supplier.

6 **Watch the California State Contracts Register**
The CSCR, inside Cal eProcure, is where departments post advertised solicitations. You can also post a free vendor ad on a specific bid to tell larger bidders you are available as a subcontractor.

7 **Introduce yourself to buyers**
Send a short capability statement to department buyers and SB/DVBE advocates in your category. Informal and SB/DVBE Option requests go to firms the buyer already knows.

8 **Consider a Leveraged Procurement Agreement**
If you hold a federal GSA schedule, a CMAS contract may be available on the same terms. Certified small businesses receive a waiver of the CMAS administrative fee.

> **Not based in California?** Small Business certification requires a principal office in California and owners domiciled here. Firms that cannot certify still sell to the State, often by teaming with a certified California firm. See page 8.

PART 3

Certifications

California runs its own certifications. Federal ones, such as SBA small business status or SDVOSB, do not count on state contracts.

CERTIFICATION	WHO QUALIFIES	WHAT IT GETS YOU
Small Business (SB)	An independently owned business with its main office in California and owners who live here. 100 or fewer employees and average gross receipts of $19 million or less over three years. (Manufacturers: 100 or fewer employees.)	A 5% bid preference. Access to SB Option awards. Counts toward the State's 25% goal. Stronger late-payment protection.
Microbusiness (MB)	A certified SB with average gross receipts of $6 million or less. (Manufacturers: 25 or fewer employees.) Assigned automatically.	The same benefits as SB.
Small Business for Public Works (SB-PW)	For construction. Same rules as SB, with higher limits: 200 or fewer employees and $46 million or less.	SB benefits, on public works contracts only.
Disabled Veteran Business Enterprise (DVBE)	At least 51% owned by one or more disabled veterans (100% for an LLC). The veterans have a service-connected disability of 10% or more, live in California, and manage and control the daily business.	Access to DVBE Option awards. Counts toward the State's 3% goal whether you hold the contract or work under a company that does. Contractors with DVBE requirements look for certified DVBEs.

Figures are those published by DGS as of this edition; the limits are adjusted every two years. A firm can hold SB and DVBE certification at the same time.

What certification does not do

It does not guarantee awards. DGS itself describes state contracting as very competitive. Certification gets you into more competitions and improves your position in them. Price, compliance and delivery still decide the outcome.

It cannot be lent. A certified firm must perform a real role on every contract where its status is counted. Passing another company's sale through a certified firm's paperwork is prohibited and carries penalties for both parties.

> **Certification is public.** Anyone can look up a firm's certification type, ID and expiration date on Cal eProcure. Buyers do, so keep yours current and renew before it expires.

PART 4

Bid preferences

On advertised bids the State adjusts prices on paper before ranking them. The adjustment can change who wins. It never changes what the winner is paid.

PREFERENCE	WHO EARNS IT	HOW IT IS APPLIED
Small business preference	A certified small business or microbusiness bidding in its own name.	5% of the lowest responsible non-small-business bid is subtracted from the SB's bid for ranking. Capped at $50,000.
Non-small business subcontractor preference	A bidder that is not a small business but commits at least 25% of its net bid price to certified small business subcontractors.	The same 5% and $50,000 cap. It cannot be used to beat a certified small business.

What this means in practice

If you are a certified small business, you can win an advertised bid even when a larger company's price is slightly lower.

If you are not, you can earn the same 5% by committing a quarter of the work to certified small businesses.

Either way, the preference only applies on advertised bids. It does not replace a competitive price.

WORKED EXAMPLE

How the 5% preference wins a bid

	SMALL BUSINESS	LARGE COMPANY
Bid price	$102,000	$100,000
Preference (5% of $100,000)	−$5,000	$0
Price used for ranking	**$97,000**	**$100,000**

The small business is ranked first and is awarded the contract at its full $102,000 bid.

Read the solicitation. These are the standard rules. Each solicitation says whether a preference applies and how it is calculated, and that is what governs. Some bids also reward using a certified DVBE subcontractor. That is covered in Tower's companion guide, **DVBE Participation for Primes**. The example is simplified to show the idea.

PART 5

Anatomy of a bid package

A state bid is a price plus a set of signed forms. A low price with a missing or unsigned form is usually rejected. These are the forms you will see most often.

DOCUMENT	WHAT IT DOES
Quote or bid form	Your prices on the State's own form, in the units the buyer asked for, signed.
Payee Data Record (STD 204)	Your legal name, tax ID and entity type. The State cannot pay a supplier without one.
Bidder Declaration (GSPD-05-105)	States your own certifications and lists every subcontractor, its certification, the work it will do, and its percentage of the bid.
DVBE Declarations (DGS PD 843)	Only needed when a certified DVBE is part of the bid. Signed by its disabled veteran owners.
Commercially Useful Function certification	Confirms that each certified firm on the bid does real work. Some departments use their own form.
Darfur Contracting Act Certification (DGS PD 1)	A required statement about doing business in Sudan.
Postconsumer Recycled-Content Certification (CalRecycle 74)	Reports the recycled content of the products you are offering.
GenAI Reporting and Factsheet (STD 1000)	Discloses whether generative AI is part of what you are selling.
California Civil Rights Laws certification	Required on bids of $100,000 or more.
Seller's permit	A copy of your California permit, for goods.

Not every solicitation requires every form, and some add their own. The solicitation's checklist always governs.

Why otherwise good bids are rejected

- ✓ Submitted after the deadline, even by minutes
- ✓ A required form is missing, unsigned or out of date
- ✓ Prices entered in a different unit of measure than requested
- ✓ An addendum was issued and not acknowledged
- ✓ A substitute product offered without the "or equal" documentation the buyer asked for
- ✓ A certification that expired before award
- ✓ A quote that changes the buyer's terms or quantities

> **After you win.** You receive a purchase order or contract, deliver exactly what was quoted, and invoice against the PO number. By law the State must pay a correct, undisputed invoice within 45 calendar days or owe a late-payment penalty.

WORKING WITH TOWER

Tower as your consultant

Tower sells to California state departments every working day. We help companies new to the State build the same footing: registered, certified where eligible, visible to buyers, and bidding correctly the first time.

185+	18	4
purchase orders awarded to Tower by California state departments since August 2024	California state departments served	federal agencies served as a prime contractor: VA, DLA, USDA Forest Service and U.S. Coast Guard

How an engagement runs

STAGE 1

Assess

We review what you sell, which departments buy it and at what prices, and whether you qualify for SB or DVBE certification.

STAGE 2

Set up

You register and certify using the State's free help. We answer questions by the hour if you want a guide.

STAGE 3

Pursue

Bid tracking, the list of buyers to contact, and hands-on preparation of quotes and bid packages.

STAGE 4

Perform

Support through award, delivery, invoicing and reporting so that the first order leads to the next.

What we help with

- ✓ Hourly guidance on registration and certification, which are free to do yourself
- ✓ Market research in the State's purchasing records
- ✓ Finding the bids worth your time
- ✓ Forms packages and pricing in the buyer's format
- ✓ Teaming with certified firms, by the rules, when you cannot certify
- ✓ Post-award delivery, invoicing and compliance

Who gets the most from it

Manufacturers and distributors with a strong product and no state sales channel.

Out-of-state companies that cannot hold California certification and need a compliant route to state buyers.

Commercial suppliers who have bid before and lost on paperwork.

Newly certified firms waiting for the phone to ring.

WHAT TO EXPECT

A realistic timeline

Registration is quick; certification depends on DGS review. First awards usually come from small, informal buys, which build the record larger bids are judged on.

WHAT WE WILL NOT DO

Promise awards, or sell what is free

No consultant can guarantee a state contract. Registration and certification are free, so we do not sell them as packages. Ask for our Consulting Services and Pricing sheet.

REFERENCE

Resources, glossary and contacts

Official resources

RESOURCE	WHERE	USE IT FOR
Cal eProcure	caleprocure.ca.gov	Registration, certification, solicitations, SCPRS, certified-firm search
DGS certification	dgs.ca.gov/PD-Certification	Current eligibility rules and thresholds
SB and DVBE resources and training	dgs.ca.gov/PD-SB-DVBE-Resources	Free DGS consultations, guides and classes
Leveraged Procurement Agreements	dgs.ca.gov/PD-LPA	Statewide contracts and master agreements
CMAS	dgs.ca.gov/PD-CMAS	California Multiple Award Schedules
OSDS certification help	(916) 375-4940, Certification@dgs.ca.gov	Questions about an application
FI$Cal Service Center	(855) 421-6355, vendors@fiscal.ca.gov	Technical help with Cal eProcure

Glossary

CMAS. California Multiple Award Schedules, a type of LPA based on federal GSA schedule pricing.

CSCR. California State Contracts Register, the State's public bid board inside Cal eProcure.

DGS. Department of General Services, the State's central purchasing authority.

DVBE. Disabled Veteran Business Enterprise, certified by DGS.

LPA. Leveraged Procurement Agreement, a contract already competed that departments can order from.

OSDS. Office of Small Business and DVBE Services, the DGS office that certifies firms.

Prime. The company that holds the contract with the State. A subcontractor works for the prime.

SB / MB / SB-PW. Small Business, Microbusiness, Small Business for the Purpose of Public Works.

SCPRS. State Contract and Procurement Registration System, the record of reported state purchases.

SDVOSB. Service-Disabled Veteran-Owned Small Business, a federal certification issued by the SBA.

TALK TO TOWER

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Companion guide. If you hold state contracts and need a certified DVBE on a bid, ask for Tower's DVBE Participation for Primes, or go to towerdvbe.com/dvbe-quote.

General information, not legal advice. Thresholds, forms and rules are current to the best of our knowledge as of November 2026 and change periodically; the solicitation and current DGS publications govern. Sources: DGS Procurement Division and OSDS; State Contracting Manual; Government Code section 14835 et seq.