1. **SDB Participation Goals.** The Issuing Office and BDISBO have set an SDB Participation Goal for this RFP which is listed on the SDB Participation Summary Sheet. The SDB Participation Goal was calculated based upon the market availability of SDBs for work scopes identified for this solicitation and an assessment of past performance under the prior contract.

This is a significant programmatic change from the SDB and SB Participation program contained in prior RFPs issued by the Commonwealth. Offerors now must agree to meet the SDB Participation Goal in full or demonstrate they have made Good Faith Efforts to meet the Goal.

1. **Small Diverse Business (SDB) Participation Submittal Packet (Forms SDB-1, SDB-2, SDB-3, SDB-3.1, SDB-4, SDB-5)**. The SDB Participation Submittal Packet and associated required documentation shall be submitted in accordance with the Instructions for Completing SDB Participation Submittal and SDB Utilization Schedule and shall be submitted electronically in accordance with Group 1.2 Small Diverse Participation Questions.

**NOTE: Equal employment opportunity and contract compliance statements referring to company equal employment opportunity policies or past contract compliance practices do not constitute proof of SDB Status or entitle an Offeror to receive credit towards the SDB participation goal.**

1. **Contract Requirements—SDB Participation.**
   * + 1. SDB Participation Documents. All documents completed and submitted by the selected Offeror in connection with its SDB Participation Submittal (including the SDB Participation Submittal, SDB Utilization Schedule, and any Good Faith Efforts Documentation to Support Waiver Request of SDB Participation Goal) shall be considered a part of the Contract and are hereby expressly incorporated into the Contract by reference thereto.
       2. Required contract terms. All contracts containing SDB participation must contain the following contract provisions to be maintained through the initial contract term and any subsequent options or renewals:
2. Each SDB participation commitment which was credited by BDISBO and the total percentage of the SDB participation commitments made at the time of proposal submittal or contract negotiations, as applicable, become contractual obligations of the selected Offeror upon execution of its contract with the Commonwealth.
3. For purposes of monitoring compliance with the selected Offeror’s SDB participation commitments, the contract cost is the total amount paid to the selected Offeror throughout the initial contract term and all renewal option terms.
4. The selected Offeror cannot alter its overall SDB commitment or commitments made to individual SDB subcontractors without written approval from the Issuing Officer and BDISBO.
5. Both the overall percentage SDB commitment and individual SDB commitments must be maintained in the event the contract is assigned to another prime contractor.
   * + 1. Subcontract requirements.
6. The selected Offeror and each SDB listed on the SDB Utilization Schedule must enter into a final, definitive subcontract agreement signed by the selected offeror and the SDB within 30 calendar days of the final execution date of the Commonwealth contract. A Model Form of Small Diverse Business/Veteran Business Enterprise Subcontractor Agreement which may be used to satisfy this requirement **–** is available in Group 1.2 of the RFP Questions.
7. In addition to any requirements in the selected Offeror’s contract documents, the subcontract must contain:
8. The specific work, supplies or services the SDB will perform; location for work performed; how the work, supplies or services relate to the contract; and the specific timeframe during the initial term and any extensions, options and renewals of the prime contract when the work, supplies or services will be provided or performed;
9. The fixed percentage commitment and/or associated estimated dollar value that each SDB will receive based on the final negotiated cost for the initial term of the prime contract and any renewal option terms;
10. Payment terms indicating that the SDB will be paid for work satisfactorily completed within 14 calendar days of the selected offeror’s receipt of payment from the Commonwealth for such work. Subcontractors are encouraged to utilize electronic payment methods;
11. Commercially reasonable terms for the applicable business/industry that are no less favorable than the terms of the selected offeror’s contract with the Commonwealth and that do not place disproportionate risk on the SDB relative to the nature and level of the SDB’s participation in the contract; and
12. The requirement that the SDB submit to BDISBO utilization reports.
13. If the subcontract terms omit any of the information required in subparagraph 2 but that information is otherwise reflected within the selected offeror’s SDB Participation Submittal or associated documents (SDB Utilization Schedule and Letters of Commitment), the information listed in the SDB Participation Submittal or associated documents is incorporated into the subcontract agreement. To the extent that any subcontract terms conflict with the requirements of paragraph (2) or information contained within the selected offeror’s SDB Participation Submittal and associated documents, the order of precedence is as follows: 1) the requirements of paragraph 2, 2) the selected offeror’s SDB Participation Submittal and associated documents; and 3) the terms of the subcontract agreement.
14. If the selected offeror and a SDB listed on the SDB Utilization Schedule cannot agree upon a definitive subcontract within 30 calendar days of the final execution date of the Commonwealth contract or as specified in the solicitation, the selected offeror must provide written notification to the issuing Agency and BDISBO.
15. The prime contractor must provide a copy of any required subcontract with an SDB to BDISBO or the Agency within ten (10) business days of receiving such a request.
    * + 1. Utilization Reports.
16. The prime contractor must submit a Monthly Utilization Report to BDISBO and the contracting officer of the Issuing Office in the format required by BDISBO and within ten (10) business days at the end of each month of the contract term and any subsequent options or renewals. The Monthly Utilization Report must list payments made to each SDB subcontractor and any unpaid invoices over 30 calendar days old received from an SDB subcontractor, and the reason payment has not been made. This information will be used to track and confirm the actual dollar amount paid to SDB subcontractors and suppliers and will serve as a record of fulfillment of the contractual commitment(s). If there was no activity, the form must be completed by stating “No activity”. A late fee of $100.00 per day may be assessed against the prime contractor if the Utilization Report is not submitted in accordance with the schedule above.
17. The prime contractor must include in its agreements with its SDB subcontractors a requirement that the SDB subcontractors submit to BDISBO, within the time frame set forth within the solicitation document, a report identifying the prime contract, and listing:
18. Payments received from the prime contractor within the time frame covered by the report, and
19. Invoices for which the subcontractor has not been paid.
    * + 1. Noncompliance with SDB commitments.
20. Upon BDISBO notifying the contracting Agency that a prime contractor did not comply with the SDB commitments, the contracting Agency shall notify the prime contractor in writing of its findings and shall specify what corrective actions are required. The prime contractor is required to initiate the corrective actions within 10 business days and complete them within the time specified by the contracting Agency.
21. If a contracting Agency determines that material noncompliance with SDB contract provisions exists and that the prime contractor refuses or fails to take the corrective action required by the contracting Agency, the contracting Agency, in consultation with BDISBO, may impose any and all sanctions and remedies available under the contract as it deems appropriate. Such sanctions or remedies include, but are not limited to, withholding of payments; termination of the contract along with consequential damages; revocation of the prime contractor’s SB, SDB, and/or Veteran Business Enterprise (VBE) status; a determination that the Offeror’s SDB or VBE participation submittal be deemed non-responsible in future procurements; and/or any actions under the Commonwealth’s Contractor Responsibility Program, up to and including suspension or debarment from future contracting opportunities with the Commonwealth.