

## **APPENDIX B (part 1)**

### **SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION**

This solicitation reflects material changes which have been made to the Commonwealth's lease solicitation process to encourage participation by small diverse businesses and small businesses in Commonwealth leasing.

The Commonwealth encourages participation in Commonwealth leases by Small Diverse Businesses and Small Businesses either directly as lessors, or through lessor contracts for services (such as design, construction, cleaning, repair, maintenance, snow removal or landscaping) or supplies related to the lease. Small Diverse Business and Small Business participation and commitments will be considered as a factor for selection for lease award.

A Small Business must meet each of the following requirements:

- The business must be a for-profit, United States business;
- The business must be independently owned;
- The business may not be dominant in its field of operation;
- The business may not employ more than 100 full-time or full-time equivalent employees;
- The business, by type, may not exceed \$38.5 million in gross annual revenues over the preceding three years.

For a proposer to receive credit for a commitment to a Small Business, the Small Business must complete the DGS/BDISBO self-certification process. Additional information on this process can be found at:  
<https://www.dgs.pa.gov/Small%20Business%20Contracting%20Program/Pages/default.aspx>

A Small Diverse Business is a DGS-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, disability-owned small business, or other small businesses as approved by DGS, that are owned and controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.

For a proposer to receive credit for a commitment to a Small Diverse Business, the Small Diverse Business must complete the DGS verification process. Additional information on this process can be found at:  
<https://www.dgs.pa.gov/Small%20Diverse%20Business%20Program/Small-Diverse-Business-Verification/Pages/default.aspx>

The Department's directory of self-certified Small Businesses and DGS/BDISBO-verified Small Diverse Businesses can be accessed from: <http://www.dgs.internet.state.pa.us/suppliersearch>.

Questions regarding the Small Diverse Business and Small Business Programs, including questions about the self-certification and verification processes can be directed to:

Department of General Services  
Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO)  
Room 601, North Office Building  
Harrisburg, PA 17125  
Phone: (717) 783-3119  
Fax: (717) 787-7052  
Email: [RA-BDISBOVerification@pa.gov](mailto:RA-BDISBOVerification@pa.gov)  
Website: [www.dgs.pa.gov](http://www.dgs.pa.gov)

**NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT/LEASE COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF SMALL DISADVANTAGED BUSINESS STATUS OR ENTITLE A PROPOSER TO RECEIVE CREDIT FOR SMALL DIVERSE BUSINESS UTILIZATION.**

## **SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL**

Proposers that wish to receive consideration for making commitments to and/or that qualify as Small Diverse Business or Small Business are required to submit the Small Diverse Business and Small Business Participation Submittal Form (**Appendix B-part 1**) and related Letter(s) of Intent (**Appendix B-part 2**). The submittal must be provided on the Small Diverse Business and Small Business Participation Submittal form, with information as follows:

- A.** Proposers must indicate their status as a Small Diverse Business and as a Small Business through selection of the appropriate checkboxes.
- B.** Proposers must include a numerical percentage which represents the total percentage of the total proposed lease cost that the Proposer commits to paying to Small Diverse Businesses and Small Businesses as subcontractors.
- C.** Proposers must include a listing of and required information for each of the Small Diverse Businesses and/or Small Businesses with whom they will subcontract to achieve the participation percentages outlined on the Small Diverse Business and Small Business Participation Submittal.
- D.** Proposers must include a Letter of Intent (attached is a Letter of Intent template which may be used to satisfy these requirements) signed by both the Proposer and the Small Diverse Business or Small Business for each of the Small Diverse Businesses and Small Businesses identified in the Small Diverse Business and Small Business Participation Submittal form. At minimum, the Letter of Intent must include the following:
  - 1.** The fixed numerical percentage commitment and associated estimated dollar value of the commitment made to the Small Diverse Business or Small Business; and
  - 2.** A description of the services or supplies the Small Diverse Business or Small Business will provide; and
  - 3.** The timeframe during the initial lease term and any extensions, options and renewals when the Small Diverse Business or Small Business will perform or provide the services and/or supplies; and
  - 4.** The name and telephone number of the Proposer's point of contact for Small Diverse Business and Small Business participation; and
  - 5.** The name, address, and telephone number of the primary contact person for the Small Diverse Business or Small Business.
- E.** To receive consideration for Small Diverse Business or Small Business commitments (or consideration for the proposer's own status as a Small Diverse Business or Small Business), the Small Diverse Business or Small Business must be listed in the Department's directory of self-certified Small Businesses and verified Small Diverse Businesses as of the proposal due date and time.

- F.** Each Small Diverse Business and Small Business commitment which is credited by BDISBO along with the overall percentage of Small Diverse Business and Small Business commitments will become contractual obligations of the selected Proposer.

## **CONTRACT REQUIREMENTS – SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION**

All leases containing Small Diverse Business and Small Business Participation must contain the following lease provisions to be maintained through the initial lease term and any subsequent options or renewals, which will be included as an Exhibit to the Lease Standard Terms and Conditions:

- A.** The selected lessor's Small Diverse Business and Small Business commitment will become contractual obligations of the selected lessor upon execution of its lease with the Commonwealth.
- B.** Subcontracting commitments to Small Diverse Businesses and Small Businesses made at the time of proposal submittal or during lease negotiations must be maintained throughout the term of the lease. This requirement also applies to any subsequent lessor who takes the lease by assignment. Any proposed change must be submitted to BDISBO, which will, along with the Bureau of Real Estate, determine whether a proposed substitution or change in individual percentage commitments to Small Diverse Businesses or Small Businesses should be approved.
- C.** All Small Diverse Businesses and Small Businesses that contract with the lessor must perform at least 50% of the work subcontracted to them.
- D.** Subcontracting commitments to Small Diverse Business and Small Business must be maintained in the event the lease is assigned to another prime lessor.
- E.** The Selected lessor shall complete the Lessor's Quarterly Utilization Report and submit it to the Bureau of Real Estate and BDISBO within ten (10) business days at the end of each calendar quarter the lease is in force. This information will be used to track and confirm the actual dollar amount paid to Small Diverse Businesses and Small Businesses as lessors or contractors with lessors. Also, it is a record of fulfillment of the commitment the lessor made and for which it received consideration for selection. If there was no activity during the quarter, the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per day may be assessed against the Selected lessor if the Utilization Report is not submitted in accordance with the schedule above.
- F.** The Selected lessor shall notify the Bureau of Real Estate and BDISBO when circumstances arise that may negatively impact the Selected lessor's ability to comply with Small Diverse Business and/or Small Business commitments and to provide a corrective action plan. Disputes will be decided by the Bureau of Real Estate and BDISBO.
- G.** If the Selected lessor fails to satisfy its Small Diverse Business and/or Small Business commitment(s), it may be subject to a range of sanctions BDISBO, in consultation with the Bureau of Real Estate, deems appropriate. Such sanctions include, but are not limited to, one or more of the following: a determination that the Selected lessor is not responsible under the Contractor Responsibility Program; withholding of payments; suspension or termination of the lease consistent with the lease's default provisions, together with consequential damages; revocation of the Selected lessor's Small Diverse Business status and/or Small Business status; and/or suspension or debarment from future leasing opportunities with the Commonwealth.

**APPENDIX B (part 2)**  
**SMALL DIVERSE BUSINESS (SDB) AND SMALL BUSINESS (SB)**  
**PARTICIPATION SUBMITTAL**

**Project:** \_\_\_\_\_

**Lessor Firm:** \_\_\_\_\_

**Lessor Contact Name:** \_\_\_\_\_ **Email:** \_\_\_\_\_

**LESSOR INFORMATION:**

**Is your firm a DGS-Verified Small Diverse Business?**  **Yes**  **No** (**MUST** check one)

**Is your firm a DGS-Self-Certified Small Business?**  **Yes**  **No** (**MUST** check one)

**SUBCONTRACTING INFORMATION:**

**Percentage Commitment for SDB and SB Subcontracting Participation**

The Lessor commits to the following percentages of the total lease cost for Small Diverse Business and Small Business subcontracting participation.

**Small Diverse Business Subcontracting percentage commitment:**

\_\_\_\_\_ % \_\_\_\_\_ **Percent**  
(Figure) (Written)

**Small Business Subcontracting percentage commitment:**

\_\_\_\_\_ % \_\_\_\_\_ **Percent**  
(Figure) (Written)



**APPENDIX B (part 3)**  
**SMALL DIVERSE AND SMALL BUSINESS**  
**LETTER OF INTENT**

[DATE]

[SDB/SB Contact Name  
Title  
SDB/SB Company Name  
Address  
City, State, Zip]

Dear [SDB/SB Contact Name]:

This letter serves as confirmation of the intent of [Lessor] to utilize [Small Diverse Business (SDB) or Small Business (SB)] on SFP [SFP number and Title] issued by the [Commonwealth agency name].

If [Lessor] is the successful lessor, [SDB or SB] shall provide [identify the specific work, goods or services the SDB/SB will perform] during the initial term of the lease and during any extensions, options or renewal periods of the lease exercised by the Commonwealth, as more specifically set forth below: [identify the specific time periods during the initial contract term and any extensions, options and renewals when the component work, goods or services will be provided or performed.]

These services represent [identify fixed numerical percentage commitment] of the total proposed lease cost for the initial term of the lease. Dependent on final negotiated pricing, it is expected that [SDB or SB] will receive an estimated [identify associated estimated dollar value that the fixed percentage commitment represents] during the initial lease term.

[SDB/SB] represents that it meets the small or small diverse business requirements set forth in the RFP and all required documentation has been provided to [Lessor] for its SDB/SB submission.

We look forward to the opportunity to serve the [Commonwealth agency name] on this project. If you have any questions concerning our small business or small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

Acknowledged,

Lessor Name  
Title  
Company  
Phone number

SDB or SB Name  
Title  
Company  
Phone number