



We recommend researching any certifications you may be eligible for. You need to work directly with the certifying agency.

Certifications are generally accepted programs that review business specifications and certify that a business is what it says it is, whether women-owned, minority-owned, etc. Certifications are granted for Small Businesses, Small Disadvantaged Businesses (SDB), Minority Business Enterprises (MBE), Women-owned Business Enterprises (WBE), , and Underutilized Businesses (Hubzone). Certification agencies implement the processes for government and private sector entities to ensure that only firms that meet the eligibility criteria of the individual programs are properly certified. Additionally Veteran-owned Businesses and Service-Disabled Veteran-owned Businesses self-certify at the national level. Please check details online as specifications change.

National Certifications

- A. SBA Small Business – Self Certifying
- B. SBA Small Business Certification 8(a)
- C. Minority Owned Business (MBE)
- D. Woman Owned Business (WBE)
- E. Hubzone Certification
- F. Veteran and Disabled Veteran Owned Business – Self Certifying

A. SBA's Definition of a Small Business

The SBA defines a small business concern as one that is independently owned and operated, is organized for profit, and is not dominant in its field. Depending on the industry, size standard eligibility is based on the average number of employees for the preceding twelve months or on sales volume averaged over a three-year period. Examples of SBA general size standards include the following (and can change):

Manufacturing: Maximum number of employees may range from 500 to 1500, depending on the type of product manufactured;

Wholesaling: Maximum number of employees may range from 100 to 500 depending on the particular product being provided;

Services: Annual receipts may not exceed \$2.5 to \$21.5 million, depending on the particular service being provided;

Retailing: Annual receipts may not exceed \$5.0 to \$21.0 million, depending on the

particular product being provided;

General and Heavy Construction: General construction annual receipts may not exceed \$13.5 to \$17 million, depending on the type of construction;

Special Trade Construction: Annual receipts may not exceed \$7 million; and

Agriculture: Annual receipts may not exceed \$0.5 to \$9.0 million, depending on the agricultural product.

If you qualify as a small business, you are eligible for counseling through various centers. Go to this link to get started:

<http://www.sba.gov/>

B. SBA Small Business Certification – 8(a)

You may qualify for 8(a) certification, depending on several factors:

A business enterprise meets the basic requirements for admission to the 8(a) Business Development program if it is a small business which is unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and citizens of the United States, and which demonstrates potential for success. This certification is geared more for socially and economically disadvantaged individuals as defined in the Small Business Act.

The 8(a) Program offers a broad scope of assistance to socially and economically disadvantaged firms. The SDB certification strictly pertains to benefits in federal procurement. Firms achieving 8(a) certification automatically qualify for SDB certification.

Program participation is divided into two stages: the developmental stage and the transitional stage. The developmental stage is four years and the transitional stage is five years. Participants are reviewed annually for compliance with eligibility requirements.

8(a) General Requirements for Certification:

Must be at least 51% owned and controlled by a socially and economically disadvantaged individual or individuals

African Americans, Hispanic Americans, Asian Pacific Americans, Subcontinent Asian Americans, and Native Americans are presumed to qualify

Other individuals can be admitted into the program if they show through a preponderance of the evidence that they are disadvantaged because of race, ethnicity, gender, physical handicap or residence in an environment isolated from the mainstream of American society

Individuals must have a net worth of less than \$250,000, excluding the equity of the business and primary residence

Must meet applicable size standards for small businesses in their industry

2 full years of business operations

Go here to get started:

<http://www.sba.gov/aboutsba/sbaprograms/8abd/>

<https://sba8a.symlicity.com/applicants/guide>

C. Minority Owned Businesses (MBE)

A minority-owned business is a for-profit enterprise, regardless of size, physically located in the United States or its trust territories, which is owned, operated and controlled by minority group members. "Minority group members" are United States citizens who are Asian Indian American, Asian Pacific American, Black American, Hispanic American, or Native American (terminology in NMSDC categories). Ownership by minority individuals means the business is at least 51% owned by such individuals or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more such individuals. Further, the management and daily operations are controlled by those minority group members.

For purposes of NMSDC's (National Minority Supplier Development Council) program, a minority group member is an individual who is a U.S. citizen with at least 1/4 or 25% minimum (documentation to support claim of 25% required from applicant) of the following:

Asian Indian American - A U.S. citizen whose origins are from India, Pakistan and Bangladesh

Asian Pacific American - A U.S. citizen whose origins are from Japan, China, Indonesia, Malaysia, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Thailand, Samoa, Guam, the U.S. Trust Territories of the Pacific or the Northern Marianas.

Black American- A U.S. citizen having origins in any of the Black racial groups of Africa.

Hispanic American- A U.S. citizen of true-born Hispanic heritage, from any of the Spanish-speaking areas of the following regions: Mexico, Central America, South America and the Caribbean Basin only.

Native American - A person who is an American Indian, Eskimo, Aleut or Native Hawaiian, and regarded as such by the community of which the person claims to be a part. Native Americans must be documented members of a North American tribe, band or otherwise organized group of native people who are indigenous to the continental United States and proof can be provided through a Native American Blood Degree Certificate (i.e., tribal registry letter, tribal roll register number).

Certification is done by 38 regional offices. The NMSDC and its affiliates charge a non-refundable application fee. Certification must be renewed each year along with payment of annual fee.

NMSDC:

<http://msdc.adaptone.com/nmsdc/>

Links to Regional Councils with application forms:

<http://tinyurl.com/c2lb5a>

D. Women Owned Businesses (WBE)

To become certified as a woman owned business, businesses must show:

All prospective members must provide clear and documented evidence that at least 51% or more is women-owned, managed, and controlled.

The business must be open for at least six months.

The business owner must be a U.S. citizen or legal resident alien.

Evidence must indicate that:

The contribution of capital and/or expertise by the woman business owner is real and substantial and in proportion to the interest owned.

The woman business owner must direct or cause the direction of management, policy, fiscal, and operational matters.

The woman business owner shall have the ability to perform in the area of specialty or expertise without reliance on either the finances or resources of a firm that is not owned by a woman.

Certification is done at the local or regional level. The Women's Business Council does charge a non-refundable application fee. Certification must be renewed each year along with payment of annual fee.

Woman Owned Business Certification – go to this link to start:

<http://www.wbenc.org/GetCertified/CertificationProcess.aspx>

E. HubZone Certification

Your business may be located in an area eligible for certain special consideration on Federal Government contracts. Go here to research your business census tract:

<http://map.sba.gov/hubzone/>

F. Veterans and Service Related Disabled Veteran

This is a self-certifying classification at the federal level:

<http://www.sba.gov/aboutsba/sbaprograms/ovbd/index.html>

State Certifications

In addition to the federal programs, individual states have their own programs. Here is California as an example:

1. California Public Utilities Commission (PUC) Minority Owned/Woman-Owned Business Certification (MBE, WBE, WMBE)
2. California Department of General Services (DGS) Small Business Certification
3. California Department of Transportation (CalTrans) Disadvantaged Business Enterprise Certification (DBE)
4. California Department of General Services (DGS) Disabled Veteran Enterprise Certification (DVBE)

Please check details online as specifications change.

1. California Public Utilities Minority-Owned or Woman -Owned Business Certification

<http://www.cpuc.ca.gov/PUC/SupplierDiversity>

2. California Department of General Services Small Business

Program:

<http://www.pd.dgs.ca.gov/dvbe/default.htm>

Small Business Certification Eligibility Requirements

Must be independently owned and operated;

Cannot be dominant in its field of operation;

Must have its principal office located in California;

Must have its owners (or officers in the case of a corporation) domiciled in California;
and

Together with its affiliates, be either:

A business with 100 or fewer employees, and an average annual gross receipts of \$12 million or less over the previous three tax years, or

A manufacturer with 100 or fewer employees.

3. California Department of Transportation (CalTrans) Disadvantaged Business Enterprise (DBE) Certification

Only small business concerns as defined by the United States Small Business Administration which are owned and controlled by one or more socially and economically disadvantaged individuals, can be certified as a DBE.

The U.S. Department of Transportation (DOT), through its operating administrations which include Federal Highway Administration, the Federal Aviation Administration and the Federal Transit Administration, distributes in excess of \$20 billion annually throughout the nation to help finance thousands of projects across the country. Although a major portion of the funds is allocated for highway construction, funds are also provided to local public transit authorities, including the District, for mass transit projects. The DOT DBE Program provides a vehicle for increasing the participation by disadvantaged businesses in these procurements.

The main objectives of the DBE Program are:

- * To ensure that small DBE firms can compete fairly for federally funded transportation-related projects.
- * To ensure that only eligible firms participate as a DBE firm..
- *To assist DBE firms in competing outside of the DBE Program.

In order for small disadvantaged firms, including those owned by minorities and women, to participate as a DBE in DOT-assisted contracts, they must apply for and receive certification as a DBE. For the state of California, DBE certification is performed by the certifying agencies of the California Unified Certification Program (CUCP).

For additional information about the DBE Program, please visit the U.S. D.O.T., Office of Small and Disadvantaged Business Utilization.

General Criteria for Certification as a DBE

1. The firm must be an existing for-profit "Small Business Concern ", as defined pursuant to Section 3 of the Small Business Act and Small Business Administration (SBA) regulations implementing it (13 CFR Part 121). Further, the average annual gross receipts for the firm (including its affiliates) over the previous three fiscal years shall not exceed the cap of \$20.41 million, as adjusted for inflation by the U.S. Secretary of Transportation.
2. The firm must be at least 51% owned by one or more socially and economically disadvantaged individuals. In the case of a corporation, such individuals must own at least 51% of each class of voting stock outstanding and 51% of the aggregate of all stock outstanding. In the case of a partnership, socially and economically disadvantaged individuals must own 51% of each class of partnership interest. In the case of a limited

liability company, socially and economically disadvantaged individuals must own at least 51% of each class of member interest.

3. The firm's ownership by socially and economically disadvantaged individuals must be real, substantial and continuing, going beyond pro forma ownership of the firm.

4. The firm must be an independent business, and one or more of the socially and economically disadvantaged individuals who own it must control its management and daily operations.

5. The firm must be owned and controlled by individuals, each of whose personal net worth does not exceed \$750,000, excluding an individual's ownership interest in the applicant firm and the individual's equity in his or her personal, primary residence. "Personal Net Worth" means the net value of the assets of an individual remaining after total liabilities are deducted. A "Personal Net Worth Statement" is included in the DBE Certification application.

6. "Socially and Economically Disadvantaged Individual" means any individual who is a citizen of the United States (or lawfully admitted permanent resident) and who is:

1. Any individual found to be socially and economically disadvantaged, on a case-by-case basis, by a certifying agency of the CUCP, pursuant to standards of the U.S. D.O.T. in 49 CFR Part 26, Subpart D-Certification Standards.

2. Any individual in the following groups, members of which are reputedly presumed to be socially and economically disadvantaged:

1. "Black Americans" which includes persons having origins in any of the Black racial groups of Africa;

2. "Hispanic Americans" which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

3. "Native Americans" which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

4. "Asian-Pacific Americans" which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U. S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;

5. "Subcontinent Asian Americans" which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;

6. Women; and

7. Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

If your company satisfies all the above criteria, you may be interested in applying for **DBE certification** status.

Go this link for application:

http://www.dot.ca.gov/hq/bep/business_forms.htm

4. California Disabled Veteran Business Enterprise (DVBE)

A small business which is at least 51 percent owned and operated by a service veteran with a service-related disability of at least 10 percent and who is a resident of California.

<http://www.pd.dgs.ca.gov/smbus/dvbecert.htm>

The links and information above are provided for information and reference only as a guide to certification options and does not constitute an endorsement of any kind.