

Certification 101

City of Austin

Small and Minority Business Resources
(SMBR)

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<http://www.austintexas.gov/smbr>

512-974-7645



Agenda

- ❖ What is Certification
- ❖ Benefits of Certification
- ❖ Types of Certification
- ❖ Certification Requirements
- ❖ How to Get Started
- ❖ Additional Services



What is Certification?

- ❖ Determination of a business owner's eligibility to participate in the Minority-Owned and Women-Owned Business Enterprise (MBE/WBE), Disadvantaged Business Enterprise (DBE) or Airport Concession Disadvantaged Business Enterprise (ACDBE) Procurement Programs
- ❖ Eligibility is determined by reviewing the certification application(s) and supporting documentation for **ownership, management and control** of the socially and economically disadvantaged business owners



Who is Considered Socially Disadvantaged

A socially disadvantaged individual is someone who belongs to one of the following presumed groups:

- ❖ Asian-American
- ❖ African-American
- ❖ Native American
- ❖ Hispanic
- ❖ Women

Individuals not in one of the presumed groups can be eligible for certification, but must prove their socially disadvantaged status.



Who Is Considered Economically Disadvantaged

An economically disadvantaged individual is a business owner whose Personal Net Worth (PNW) does not exceed:

- ❖ \$1.457 million for the MBE/WBE programs
- ❖ \$1.320 million for the DBE/ACDBE programs

- ❖ An individual's PNW includes only the applicant's share of all assets held separately, jointly, and excludes the following:
 - ❖ Community Property assets if applicant is still married
 - ❖ Individual's ownership interest in the applicant firm;
 - ❖ Individual's equity in his or her primary residence;
 - ❖ Tax and interest penalties that would accrue if retirement savings or investments (e.g., pension plans, Individual Retirement Accounts, 401(k) accounts, etc.) were distributed at the present time.



Benefits of Certification

- ❖ It enhances procurement opportunities & increases visibility
- ❖ Firms will be listed on the City of Austin's Availability list
- ❖ Prime contractors are required to solicit certified firms to meet program participation requirements
- ❖ COA Certification is also recognized by other governmental entities



More Benefits of Certification

- ❖ Certified vendors are searchable on the SMBR and TUCP websites
- ❖ HUB accepts City of Austin recommendations to participate in their state funded procurement opportunities
- ❖ ACDBE/DBE Certification is recognized by all state wide recipients of Federal Funds
- ❖ DBE Certification can be recognized in other states if approved by their local Unified Certification Program



Types of Certifications offered by the City of Austin

Types of Certification offered by the City of Austin	Certification	Projects/ Funding Source	Applicants' Max PNW	Site Audit
Minority-Owned Business Enterprise (MBE)	COA Certifies	City of Austin projects & funding	\$1,457,000	COA Requirement
Women-Owned Business Enterprise (WBE)	COA Certifies	City of Austin projects & funding	\$1,457,000	COA Requirement
Disadvantaged Business Enterprise (DBE)	COA Certifies	Federal Funding	\$1,320,000	Federal Requirement
Airport Concession Disadvantaged Business Enterprise (ACDBE)	COA Certifies	Federal funding	\$1,320,000	Federal Requirement

The City of Austin can provide a HUB Recommendation during review of M/WBE or DBE Certification Application



Minority & Women-Owned Business Certification Program

- ❖ City of Austin's program for socially and economically disadvantaged business owners
- ❖ Projects funded by the City of Austin

NOTE:

Minority women can be dually certified as MBE and WBE

The screenshot shows the City of Austin website's "Small and Minority Business Resources" page. The header includes the "austintexas.gov" logo and navigation links for "Resident", "Business", "Development", "Government", and "Environment". The main content area features a "KEEP IT CURRENT" graphic with icons for email address, phone number, and fax number. Below this is a "CERTIFICATION" section with a sub-heading "Small and Minority Business Resources" and a photograph of construction workers. The text explains that SMBR's Certification Division verifies that Minority, Women and/or Disadvantaged Owned Business applicants own, manage, and control the day-to-day operations of the for-profit business in compliance with the City's Code of Ordinances. It also lists "MBE/WBE General Eligibility Requirements" such as being 51% owned, managed, and controlled by an economically and socially disadvantaged individual, and having a facility located in the State of Texas. A "CONTACT INFO" section provides phone, fax, and email details. A "TOP CONTENT" sidebar lists links for Certification, About Small & Minority Business Resources, Disadvantaged Business Enterprise, Certification for Small Business Enterprise (SBE), and Contract Compliance. A "PNW Increase" section mentions that the MBE/WBE Personal Net Worth limit has increased to \$1,454,000. The page concludes with "Related Links" and social media sharing options.



Disadvantaged Business Enterprise (DBE) & Airport Concessions DBE (ACDBE) Programs

DBE

- ❖ DBE Certification is used for federally-funded projects receiving US Department of Transportation (USDOT) funds, such as: Aviation, Highways and Public Transit
- ❖ City of Austin is part of the Texas Unified Certification Program and is responsible for certifying businesses in the five county area consisting of:
 - ❖ Travis County
 - ❖ Bastrop County
 - ❖ Williamson County
 - ❖ Hays County
 - ❖ Caldwell County

ACDBE

- ❖ Airport Concessions DBE Certification is used for any Airport that receives federal funding.
- ❖ Projects for ACDBE are funded by the Federal Aviation Administration (FAA)
- ❖ The following airports participate in the ACDBE program:
 - ❖ Austin-Bergstrom International Airport
 - ❖ Dallas/Fort Worth Airport
 - ❖ Dallas Love Field
 - ❖ Houston Bush International Airport
 - ❖ Houston Hobby
 - ❖ All other major airports in Texas



Small Business Enterprise Certification

SBE Certification

SBE certification is required to participate in the Small Business Construction Program (SBCP)

Qualifications

- ❖ Must be a small business as defined by SBA (guidelines for Subsector 238-Specialty Trade Contractors)
- ❖ Three year average gross receipts must not exceed \$15 Million
- ❖ Owner(s) and/or Owner's CPA must complete an affidavit attesting to firm meeting size standard
- ❖ Owner(s) Resume

Small Business Construction Program

- ❖ This program is a collaborative effort between SMBR and the Contract Management Department, begun in 2011
- ❖ Designed for construction projects under \$50,000 that are City funded
- ❖ Program is race/gender neutral
- ❖ Opportunities are scope specific related work in the construction field



What Are the Certification Requirements?

- ❖ Must be a small business as defined by Small Business Administration (SBA) size standards
- ❖ Firm must be organized as a for-profit business
- ❖ At least 51 percent owned, managed and controlled by an economically and socially disadvantaged individual
- ❖ Must be U.S. Citizen or Legally Admitted Resident
- ❖ Must have experience directly related to the firm's primary scope of work
- ❖ Must have a facility located in Texas for a minimum of 90 days prior to submitting application
- ❖ Must be available for a site audit if company located in the following counties:
 - ❖ Travis, Williamson, Hays, Caldwell and Bastrop



NIGP Codes (aka Commodity Codes)

- ❖ NIGP = National Institute of Government Purchasing
- ❖ Coding system used by COA for procurement
- ❖ Vendor must add codes in Vendor Connection
- ❖ Goods codes 000-899 - suppliers/brokers
- ❖ Service codes 900< - construction/professional services, consulting, subcontractor



NAICS Codes

- ❖ NAICS = North American Industry Classification System
- ❖ Coding system used by DBE Program and by the SBA for small business size standard determinations
- ❖ Staff assigns only certified codes in the TUCP database & B2G Now
- ❖ Staff only lists highway codes if company has one of the following subsectors of NAICS:
 - 236 Construction of Buildings
 - 237 Heavy and Civil Engineering Construction
 - 238 Specialty Trade Contractors



Business Example 1: ABC Flooring, Inc.

NAICS: 238330-Flooring Contractors

NIGP Codes (aka Commodity Codes):

Goods	36083	Tile, Rubber
Goods	36085	Tile, Vinyl
Goods	3608542	TILE, FLOOR, VINYL
Goods	44513	Carpet Laying Tools (Including Knee Pads)
Goods	4505895	TACKS, CARPET
Goods	4855035	MATS, DOOR, CARPET, 100% POLY
Goods	80547	Flooring, Temporary Portable (Athletic Facility)
Non-professional	9100945	CARPET/FLOORING INSTALLATION AND/OR REMOVAL SERVICES
Non-professional	9100999	Use 9100945 CARPET INSTALLATION
Non-professional	91073	Tile and Stone Maint Repair (Granite, Marble, and Terrazzo)
Construction	91483	Tile and Marble Work, All Types
Non-professional	96246	Installation Services (Not Otherwise Classified)



Business Example 2: Don's Engineering

NAICS: 541330- Professional Engineering

NIGP Codes (aka Commodity Codes):

- 92519 Concrete Engineering Professional
- 92520 Cold Storage; Refrigeration; Fast Freeze/Engineering
- 92521 Corrosion Control; Cathodic Protection; Electrolyst
- 92522 Control Systems Engineering
- 92523 Dam Engineering
- 92524 Desalinization (Process and Facilities)/Engineering
- 92525 DESIGNING



Code Requirements

❖ **City of Austin – NIGP code updates**

- Vendor adds/deletes NIGP codes using Vendor Connection
- SMBR then receives an email advising of change in codes

❖ **DBE – NAICS code updates**

- Vendor contacts SMBR to request NAICS code addition or deletion
- ❖ In both processes, staff determines eligibility after review of resources on file to ascertain owners' ability to control scopes of work



Other Documents Required

Personal Information

- ❖ Resume(s)
- ❖ Personal Net Worth (PNW) Statement
- ❖ Personal Tax Returns
- ❖ Other Property/Real Estate Owned
- ❖ Copies of Passport/Birth Certificate/DL
- ❖ Copies of Professional Licenses(as needed)

*All information provided is
CONFIDENTIAL*

Business Documentation

- ❖ Business Tax Returns
- ❖ Bank Signature Card
- ❖ Assumed Name Cert or Secretary of State Filing
- ❖ Corporate By-Laws / Operating Agreement/ Partnership Agreement
- ❖ Balance Sheet
- ❖ Lease Agreement & copy of payment/Home Tax Statement
- ❖ Proof of Capitol Investment
- ❖ Equipment List/Contracts/Invoices



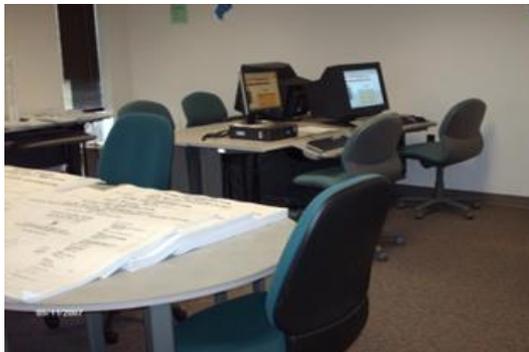
How To Get Started

- ❖ Register your business with the City of Austin's Purchasing Database Vendor Connection
 - <http://www.austintexas.gov/financeonline/finance/index.cfm>
 - **Email accounts are required!**
- ❖ Complete the application and personal net worth statement
 - <http://austintexas.gov/page/smbr-forms-and-applications>
- ❖ Gather the required supporting documents
- ❖ Schedule an appointment to meet with a counselor to review your documents and answer any questions
- ❖ Submit your application and documentation



Plan Room Services

- ❖ Free access to “Dodge Plans” online database of plans, news, and specifications for construction projects in 100 Texas counties
- ❖ The Plan Room also has paper & electronic construction plans and specifications for local jobs
- ❖ For assistance contact Plan Room (512) 974-7799



Bonding Assistance

- ❖ SMBR has a Bonding Financial Consultant on staff to educate and assist business owners who are looking for payment, performance and bid bonds for city construction projects.
- ❖ Contact: Luke Ortega Luper at (512) 974-7733



Helpful Links

- ❖ City of Austin SMBR site:
 - www.austintexas.gov/smbr
- ❖ CFR Regulations (CFR 49, Part 26):
 - http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title49/49cfr26_main_02.tpl
- ❖ City Code Regulations (Ch. 2-9 A-D):
 - https://www.municode.com/library/tx/austin/codes/code_of_ordinances?nodeId=TIT2AD
- ❖ COA Opportunities:
 - https://www.ci.austin.tx.us/financeonline/vendor_connection/solicitation/solicitations.cfm
- ❖ TUCP Opportunities:
 - <http://www.txdot.gov/business.html>



Acronyms Defined

- ❖ **COA** – City of Austin
- ❖ **SMBR** – Small & Minority Business Resources Dept.
- ❖ **DBE** – Disadvantaged Business Enterprise
- ❖ **ACDBE** – Airport Concessionaire Disadvantaged Business Enterprise
- ❖ **MBE** – Minority-Owned Business Enterprise
- ❖ **WBE** – Women- Owned Business Enterprise
- ❖ **SBE** – Small Business Enterprise
- ❖ **TUCP** – Texas Unified Certification Program
- ❖ **HUB** – Historically Underutilized Business
- ❖ **SBA** – Small Business Administration
- ❖ **CFR** – Code of Federal Regulations
- ❖ **PNW** – Personal Net Worth



Contact SMBR Certification

Certification Division Main Phone: (512) 974-7645

Email: smbrcertification@austintexas.gov

Located at: 4201 Ed Bluestein Blvd., Austin, TX 78721

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