Certification 101

City of Austin
Small and Minority Business Resources (SMBR)
Presenter: Deanna Brown  5/5/16
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 applicants 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

<table>
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<th>Types of Certification offered by the City of Austin</th>
<th>Certification</th>
<th>Projects/Funding Source</th>
<th>Applicants’ Max PNW</th>
<th>Site Audit</th>
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</thead>
<tbody>
<tr>
<td>Minority-Owned Business Enterprise (MBE)</td>
<td>COA Certifies</td>
<td>City of Austin projects &amp; funding</td>
<td>$1,457,000</td>
<td>COA Requirement</td>
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<tr>
<td>Women-Owned Business Enterprise (WBE)</td>
<td>COA Certifies</td>
<td>City of Austin projects &amp; funding</td>
<td>$1,457,000</td>
<td>COA Requirement</td>
</tr>
<tr>
<td>Disadvantaged Business Enterprise (DBE)</td>
<td>COA Certifies</td>
<td>Federal Funding</td>
<td>$1,320,000</td>
<td>Federal Requirement</td>
</tr>
<tr>
<td>Airport Concession Disadvantaged Business Enterprise (ACDBE)</td>
<td>COA Certifies</td>
<td>Federal funding</td>
<td>$1,320,000</td>
<td>Federal Requirement</td>
</tr>
</tbody>
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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
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

<table>
<thead>
<tr>
<th>Personal Information</th>
<th>Business Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Resume(s)</td>
<td>▶ Business Tax Returns</td>
</tr>
<tr>
<td>▶ Personal Net Worth (PNW) Statement</td>
<td>▶ Bank Signature Card</td>
</tr>
<tr>
<td>▶ Personal Tax Returns</td>
<td>▶ Assumed Name Cert or Secretary of State Filing</td>
</tr>
<tr>
<td>▶ Other Property/Real Estate Owned</td>
<td>▶ Corporate By-Laws / Operating Agreement/ Partnership Agreement</td>
</tr>
<tr>
<td>▶ Copies of Passport/Birth Certificate/DL</td>
<td>▶ Balance Sheet</td>
</tr>
<tr>
<td>▶ Copies of Professional Licenses (as needed)</td>
<td>▶ Lease Agreement &amp; copy of payment/Home Tax Statement</td>
</tr>
</tbody>
</table>

All information provided is CONFIDENTIAL
How To Get Started

- Register your business with the City of Austin’s Purchasing Database Vendor Connection
  - **Email accounts are required!**
- Complete the application and personal net worth statement
- 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):

- COA Opportunities:
  - https://www.ci.austin.tx.us/financeonline/vendor_connection/solicitation/solicitations.cfm

- TUCP Opportunities:
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

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- Ana Bernal (512) 974-7014