



MARYLAND DEPARTMENT
OF TRANSPORTATION

Office of Small and Minority Business Policy

Certification Application Assistance Workshop

MBE/DBE/ACDBE/SBE

November 13, 2017

Denise Merritt, Outreach Coordinator

MINORITY BUSINESS ENTERPRISE PROGRAM

- **The Maryland Department of Transportation (MDOT) is the official certification agency for the State**
- **Established in 1978, Maryland's Minority Business Enterprise (MBE) Program is the oldest in the country**
- **One of the most aggressive in the nation with a 29% MBE participation goal and contract subgoals**

TYPES OF CERTIFICATION

There are four types of certifications:

- **Minority Business Enterprise (MBE)**
 - State-funded contracts
- **Disadvantaged Business Enterprise (DBE)**
 - USDOT contracts administered by:
 - Maryland Department of Transportation State Highway Administration (SHA)
 - Maryland Department of Transportation Maryland Aviation Administration (MAA)
 - Maryland Department of Transportation Maryland Transit Administration (MTA)
- **Airport Concessions Disadvantaged Business Enterprise (ACDBE)**
 - Airport concessions contracts administered by MAA
- **Small Business Enterprise (SBE)**
 - USDOT contracts administered by SHA, MAA and MTA
 - Race and gender neutral

BENEFITS OF CERTIFICATION:

Access and Opportunities

- **Greater exposure to government and private sector contracting opportunities**
- **Only MBE/DBE certified firms can fulfill the minority participation goals**
- **Certified firms appear in the Directory of Certified Firms which is used by prime contractors, consultants, government agencies and private sector companies seeking minority business participation**

BENEFITS OF CERTIFICATION:

Monitoring and Advocacy

- **Enforcement of MBE Compliance policies and procedures**
- **MBE Liaison Officers**

FREE!

FREE!

FREE!

**THERE IS NO COST TO APPLY FOR OR MAINTAIN
CERTIFICATION WITH MDOT'S OFFICE OF MINORITY
BUSINESS ENTERPRISE**



WHO IS YOUR CUSTOMER?

WHO DOES WHAT IN GOVERNMENT PURCHASING?



**State Agency/
Procurement Officer**

- Advertises the RFP
- Awards the contract to the Prime Contractor
- Pays the Prime Contractor



**Prime/General
Contractor**

- Bids on the complete contract
- Works for the State Agency
- Pays the Sub-Contractors



Sub-Contractor

- Bids on a portion of the contract
- Works for the Prime Contractor

THE MBE/DBE/ACDBE ROLE



**MBE/DBE/ACDBE
Sub-Contractor**

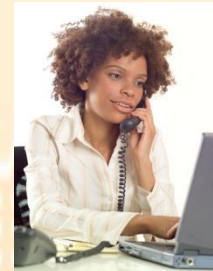
Only firms who are certified as a **MBE**, **DBE** or **ACDBE** can fulfill the minority participation goal on a State contract



MBE Prime

MBE prime contractors may count their participation on contracts with MBE goals for up to 50% of the established MBE contract goal and 100% of any one contract subgoal

CERTIFICATION ELIGIBILITY



ELIGIBILITY STANDARDS

There are five eligibility standards each applicant must meet:

- 1. Ownership**
- 2. Minority Status**
- 3. Control**
- 4. Personal Net Worth**
- 5. Size**

ELIGIBILITY STANDARDS: OWNERSHIP

An MBE/DBE/ACDBE is a small business that is at least 51% independently owned and controlled by one or more socially and economically disadvantaged individuals

- **Ownership must be real and substantial**
- **Capital contributions vs. sweat equity**
- **Owner must be a U.S. citizen or permanent resident**
- **Firms headquartered in Maryland must be in good standing with the Maryland Department of Assessments and Taxation**

ELIGIBILITY STANDARDS: MINORITY STATUS

Certain groups are *presumed* to be socially disadvantaged:

- Women
- African Americans
- Hispanic Americans
- Native Americans
- Asian Pacific Americans
- Subcontinent Asian Americans
- Disabled Persons (MBE Program Only)

Firms owned by ethnic women are dually certified

ELIGIBILITY STANDARDS: CONTROL

- Minority owner(s) must have an overall understanding of, and managerial and technical competence and experience directly related to, the type of business in which the firm is seeking certification
- Firms are certified in specific areas of work as defined by the North American Industry Classification System (NAICS Codes)

To learn more about NAICS Codes visit

www.census.gov/eos/www/naics/index.html

ELIGIBILITY STANDARDS: PERSONAL NET WORTH

In order to evaluate economic disadvantage, each minority owner must submit a Personal Financial Statement (a.k.a. Personal Net Worth (PNW) Statement)

PNW is the net value of the assets held by an individual, and includes, if married, the minority applicant's portion of assets held jointly or as community property with spouse

- **MBE Cap:**
 - \$1,692,682 (*adjusted annually*)
- **DBE Cap:**
 - \$1,320,000
- **ACDBE Cap:**
 - \$1,320,000

PNW Calculations DO NOT Include:

- Applicant's personal residence
- Value of the applicant business

ELIGIBILITY STANDARDS: SIZE

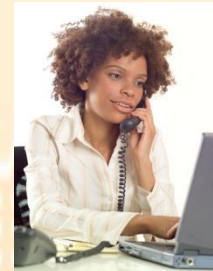
All applicant firms must be “small”

- **Size standards are set by the U.S. Small Business Administration (SBA) under Regulation 13 CFR Part 121**
- **Size standards are determined by industry based on NAICS Codes**
- **Firms seeking DBE Certification must not exceed the current DBE size standard of \$23.98 (million)**

For more information regarding size standards visit SBA's website at:

<https://www.sba.gov/size>

The Certification Process



THE PROCESS

1. **APPLICATION** – Applicants must submit an application along with all applicable supporting documentation
2. **INVESTIGATION** – An MBE Officer reviews the entire application package then conducts an on-site interview with the applicant(s) and performs a job-site visit (if applicable); all findings are documented in a written report
3. **EVALUATION** – MBE Advisory Committee (MBEAC) reviews the investigative report to evaluate whether the applicant firm meets all program requirements; the owner(s) may be asked to appear before the MBEAC as part of the evaluation process
4. **DETERMINATION** – The MBEAC Chairperson issues a written determination

Out of state firms must be certified in their home state
before applying in Maryland

ONLINE APPLICATION SUBMISSION!!

Submit **all** certification documents
electronically

<http://www.mdot.maryland.gov/newMDOT/MBE/CertificationForms/CertificationsForms.html>

COMPLETING THE APPLICATION

- An online version of the Uniform Certification Application is available on the OMBE website in the Certification and Forms section
- Utilize Google Chrome
- Detailed written instructions for completing the application are provided at the back of the application
- If any areas of the application do not apply to you/your firm, note “N/A” or “*Does Not Apply*”
- DO NOT LEAVE BLANKS

SUPPORTING DOCUMENT CHECKLIST

**LLC's must
include a copy
of the
company's
Operating
Agreement**

- **OMBE has created checklists by business type; we strongly recommend utilizing the appropriate checklist found at http://www.mdot.maryland.gov/newMDOT/MBE/Resources_Information/Checklists.html**
- **Clearly label supporting documentation and submit them, in the same order as the checklist, in a file folder or binder**
- **On a separate sheet of paper, briefly explain (one or two sentences) anything on the checklist that does not apply to your firm**
- **Retain a copy of the entire application for your records**

CERTIFICATION TIME

Once a COMPLETE application package has been received, it takes an average of 3-4 months to complete the certification process

DELAY IN CERTIFICATION

- The most common cause for delay is submission of an incomplete application
- More than 50% of all applications are incomplete when submitted

**As questions arise,
call OMBE at
410.865.1269
for assistance**



ONLINE ANNUAL CERTIFICATION REVIEW

- **Firms are reviewed annually and may remain in the program as long as they continue to meet the eligibility standards**
- **Upon written notice, an MDOT certified firm shall provide updated information annually in order to maintain certification; sixty (60) days prior to a firm's certification date, a firm will receive a paper-printed letter, containing a unique 10 digit passcode; upon receipt of the letter follow these steps:**
 - **Visit MBE public directory site (<https://mbe.mdot.maryland.gov>)**
 - **Search for your firm using the official MDOT directory**
 - **Click the firm name to view the complete firm profile**
 - **Scroll to the bottom of the page and select the link to submit annual review documents**
 - **When prompted, enter the passcode exactly as it appears on the paper-printed letter**
- **A review of firms eligibility is also required whenever there is a material change in the firm's circumstances such as ownership, minority status, control, size or services. These changes MUST be reported to OMBE.**

EXPANSION OF SERVICES

- **Certified firms are encouraged to request an Expansion of Services with MDOT as their products and services grow**
- **Must submit an Expansion of Services Request Form utilizing the online form, located within “Certifications and Forms”**
- **An officer will be assigned to investigate the request and perform an on-site visit to verify compliance with established certification requirements**

CERTIFICATION DOES NOT...

- **Guarantee contract award**
- **Guarantee a firms ability to do work**
- **Mean a firm meets all of the requirements needed to do business in the State**

SMALL BUSINESS ENTERPRISE PROGRAM

- **Small Business Enterprise (SBE) Program is a race and gender neutral program, designed to provide PRIME contracting opportunities to small businesses on federally aided/funded projects at MAA, SHA, and MTA**
- **Goals of the SBE Program:**
 - **Facilitate competition, eliminate obstacles, making sure there is no unnecessary & unjustified bundling of contracts, and increase opportunities for small businesses to participate as prime contractors on MDOT federally aided contracts without competing with larger and more established businesses**
 - **Assist in building capacity**

SMALL BUSINESS ENTERPRISE PROGRAM (CONTINUED)

- **SBE Program Eligibility:**
 - Race and gender neutral
 - Must be a Small Business as defined by the SBA (13 CFR Part 121)
 - The firms average gross receipts cannot exceed USDOT size standard of \$23.98 million
 - At least 51% of the firm's ownership must not exceed the PNW cap of \$1.32m
 - The firm must be organized for profit
 - The 51% owner(s) must be a U.S. Citizen or Permanent Resident
- **Firms that are currently certified as DBE will automatically be certified as SBE**



As you go through the certification process...
talk with the experts in OMBE!

410.865.1269

mbe@mdot.maryland.gov

www.mdot.maryland.gov

Certification officers are available to conduct a complimentary review of your application packet at MDOT Headquarters on **Tuesdays**, during regular business hours, **by appointment only**