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Minority & Disadvantaged Business Certifications



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Last updated 4/30/09

FEDERAL

- I. Women's Business Enterprise National Council (WBENC)'s WBE
 - a. The WBENC WBE (Women's Business Enterprise) is a private certification organization for women-owned businesses and is one of the most widely recognized and respected certifications in the nation. Accepted by thousands of corporations within the country and a number of federal and government agencies, your WBENC certification will be an important marketing tool for expanding your company's visibility among decision makers in corporate supply chain diversity and procurement.
 - b. A WBE must be an independent business concern that is at least 51% owned and controlled by one or more women who are U.S. citizens or Legal Resident Aliens; whose business formation and principal place of business are in the US or its territories; and whose management and daily operation is controlled by one or more of the women owners. A woman must document her contribution of capital and/or expertise, and that her assumption of all profits and risks are commensurate with her ownership percentage. A woman must also hold the highest office as outlined in the company's documentation.
 - c. Being certified as a WBE means that a business concern has gone through a rigorous and stringent certification process to confirm the business is owned, managed, and controlled by a woman or women.
 - d. Certification is administered through one of its 14 regional partner organizations. All of the partner organizations adhere to WBENC's stringent Standards and Procedures in their certification programs.
 - e. WBENC provides information on certified women's businesses to purchasing managers through its internet database, WBENCLink.
 - f. Certification fees are determined by each regional partner organization based on the specific markets served. Please contact the Regional Partner Organization directly to determine applicable fees. This is a non-refundable processing fee, even if the applicant does not complete their paperwork or fails to be certified. To determine who your Regional Partner Organization is, please go to www.wbenc.org and select your state from the Regional Map under the Regional Partner Organization tab. The processing time is generally 60-90 days.
 - g. The certification process is as follows: A business entity submits an application, along with the necessary supporting documentation and non-refundable processing fee. Each Regional Partner Organization has a trained Certification Committee that meets on a monthly basis. Once the applicant's file is complete (meaning all documentation pertinent to the business and legal



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structure has been received), it will go to the Committee for review. An on-site visit is conducted, generally during the 30-day window between Committee meetings. At the meeting following the site visit, a final recommendation is made regarding the applicant's eligibility. If certification is granted, the company's assigned contract will receive an auto-email telling them that they have been certified and may now access their certificate online. A formal letter will also be mailed.

- h. <http://www.wbenc.org/GetCertified>

II. National Women's Business Owners Corporation (NWBOC)

- a. A private certification organization for women-owned businesses. NWBOC has launched a national certification program for women-owned and controlled businesses as an alternative to the multiple state and local certifications required by many public and private-sector agencies or prime contractors. More than 100 major corporations, agencies and organizations accept NWBOC certification.
- b. The certification is called WBE – Women Business Enterprise and denotes that a woman (or women) has majority ownership and control of a business entity. WBE Certification is **not** based on company size, number of employees, or profitability.
- c. Any woman-owned business can apply for WBE Certification if the company meets the criteria of majority ownership and control of the business. By law, majority ownership means at least 51% of the business is owned by a woman or women. This is established through the legal paperwork associated with the business. Also by law, but perhaps less exact, is the concept of control of the business. A woman has control of the business if she is the final decision maker for all aspects of the business - financial, production, contracting, etc. - or she has delegated that authority to an employee manager or another partial owner. WBE Certification is gender-based, not race-based, so a woman of any race can apply.
- d. Having WBE Certification may give purchasing agents confidence that a business representing itself as woman-owned is in fact woman-owned. Most publicly held corporations, as well as larger private corporations, track and/or have programs for doing business with women business owners. Also, most local, state, and federal government purchasing agencies track and have programs for doing business with women-owned vendor companies. They, too, rely on WBE Certification.
- e. <http://www.nwboc.org/>

III. SBA Women Owned Business (WOB) -- also called WBE for Women Business Enterprise



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- a. To qualify as a WOB, a small business concern must meet the following two conditions:
- b. At least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and Management and daily business operations are controlled by one or more women.
- c. In 1994, Congress established a government-wide goal that WOBs be awarded at least 5% of the total value of all prime contract and subcontract awards for each fiscal year; however, there are no set-aside procurement programs or incentives for awarding a contract to a WOB. The federal government does not require any formal certification for women-owned small businesses that are proposing as prime contractors on federal procurements. If a business meets the two conditions stated above, that business can “self-certify.” Should a WOB status be challenged upon procurement award, the procuring agency may request proof of the firms WOB status.
- d. The federal government does not require formal certification as a woman-owned small business. However, certification can be helpful in winning other types of contracts. For federal procurement, you may self-certify in the [Central Contractor Registration](http://www.ccr.gov) at www.ccr.gov. In addition, there are two private national women's business organizations that certify qualified women-owned businesses (see WBENC and NWBOC above).
- e. <http://www.womenbiz.gov/faq.html>
- f. **Where can I find more information on how a woman-owned business can do business with the federal government?**
 - i. [FirstGov](http://www.usa.gov/) <http://www.usa.gov/>
FirstGov is an easy-to-search Web site that gives you centralized information from U.S. local, state, and federal government agency Web sites. FirstGov also offers a powerful search engine and an index of Web-accessible government information and services to help you find what you need.
 - ii. [My Biz for Women](http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/index.html) <http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/index.html>
The SBA, with the cooperation of the National Women’s Business Council, offers *MY BIZ for Women*, a new Web portal designed for the woman entrepreneur. This site links you to business information and assistance throughout the federal government. You’ll find information on training, counseling, technical assistance, regulatory issues, contracting opportunities, taxes or any other business concern.
 - iii. [Business.gov](http://www.business.gov/) <http://www.business.gov/>
The SBA recently unveiled a new Internet gateway to help small businesses find, understand and comply with laws and regulations.



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This site offers several innovative, interactive features that allow businesses to complete online transactions with federal, state, and local governments.

- IV. SBA 8(a) - Small Business Administration's Federal 8(a) Business Development Program
- a. Section 8(a) of the Small Business Act authorizes SBA to contract for goods and services with federal agencies. SBA then subcontracts actual performance of the work to socially and economically disadvantaged small businesses, which have been certified by SBA as eligible to receive these contracts. The major advantage of this program is that it allows the government to contract, on a noncompetitive basis, with socially and economically disadvantaged small businesses. SBA also offers managerial, technical, and financial support to participating firms not to exceed \$3 million per contract.
 - b. DOT gives special emphasis to identifying procurement requirements for matching with the capabilities and potential of approved 8(a) firms. DOT has obtained special authority from the SBA to negotiate directly with 8(a) firms on the behalf of SBA.
 - c. Program participation is divided into two stages. The developmental stage is designed to help 8(a) certified firms overcome their economic disadvantage by providing personalized business assistance in expanding their business and fostering meaningful business relationships. This period covers years one through four of a firm's participation. The transitional stage is designed to help program participants become more effective in both the large business and government sector market in dealing with complex business deals and to prepare them for post 8(a) program expansion and development. Formal certification is required by the SBA. This period occurs from the fifth through the ninth year of the firm's participation in the program. Businesses must meet eligibility requirements established by the SBA each year including pre-established 8(a) vs. non-8(a) revenue mixes.
 - d. <http://www.sba.gov/aboutsba/sbaprograms/8abd>
- V. SBA's SDB – Small Disadvantaged Business federal contracting set aside program
- a. See October 1, 2008 news release calling for a suspension of the receipt of applications for the SDB program. Self-certification permitted.
 - b. SDBs are small businesses that are 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



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individuals can qualify if they show by a preponderance of the evidence that they are disadvantaged.

- c. All individuals must have a net worth of less than \$750,000, excluding the equity of the business and primary residence. Successful applicants must also meet applicable size standards for small businesses in their industry. The program is intended to help federal agencies achieve the government-wide goal of 5 percent SDB participation in prime contracting. More information on the SDB Program can be found on the SBA website
- d. <http://www.sba.gov/aboutsba/sbaprograms/sdb/index.html>

VI. SBA's HUB - Historically Underutilized Business Zone "HUBZone" Business Enterprise

- a. The HUBZone Program stimulates economic development and creates jobs in urban and rural communities by providing federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUBZone (Historically Underutilized Business Zone) certification from the SBA. To qualify for the program, a business (except tribally-owned concerns) must meet the following criteria:
 - i. It must be a small business by SBA standards;
 - ii. It must be owned and controlled at least 51% by U.S. citizens, or a Community Development Corporation, or an agricultural cooperative or an Indian tribe;
 - iii. Its principal office must be located within a "Historically Underutilized Business Zone," which includes lands considered "Indian Country" and military facilities closed by the Base Realignment and Closure Act; and
 - iv. At least 35% of its employees must reside in a HUBZone.
- b. The SBA regulates and implements the program, determines which businesses are eligible to receive HUBZone contracts, maintains a listing of qualified HUBZone small businesses that federal agencies can use to locate vendors, and adjudicates protests of eligibility to receive HUBZone contracts.
- c. <https://eweb1sp.sba.gov/hubzone/internet/index.cfm> Department of Defense's Office of Small Business Programs

VII. US DOT's DBE – Department of Transportation's Disadvantaged Business Enterprise programs

- a. To participate in the program, a small business owned and controlled by socially and economically disadvantaged individuals must receive DBE certification from their relevant state or local transportation agency. **Note:** *this is not a federal certification and is not applicable to federal contracts.*



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- b. Irrespective of what the size standard is, a firm cannot exceed the size of \$20.41 million and still be seen as a *Small Business*. This size limit is periodically adjusted for inflation.
- c. The U.S. Department of Transportation's DBE (disadvantaged business enterprise) program provides a vehicle for increasing the participation by MBEs in state and local procurement. DOT DBE regulations require state and local transportation agencies that receive DOT financial assistance, to establish goals for the participation of DBEs. Each DOT-assisted State and local transportation agency is required to establish annual DBE goals, and review the scopes of anticipated large prime contracts throughout the year and establish contract-specific DBE subcontracting goals. Three major DOT operating administrations are involved in the DBE program. They are the Federal Highway Administration, the Federal Aviation Administration and the Federal Transit Administration.
- d. In addition to establishing goals, state and local recipients also certify the eligibility of DBE firms to participate in DOT-assisted projects. Some groups are presumed to be socially and economically disadvantaged for the purposes of participation in this program. In 1987 Congress added women to the groups presumed to be disadvantaged. The main objectives of the DBE Program are:
 - i. To ensure that small disadvantaged business enterprises (DBE) can compete fairly for federally funded transportation-related projects.
 - ii. To ensure that only eligible firms participate as DBEs.
 - iii. To assist DBE firms in competing outside the DBE Program.
 - iv. There has been, since 1983, a statutory provision requiring DOT to ensure that at least 10% of the funds authorized for the highway and transit financial assistance programs be expended with DBEs. DOT has established a single DBE goal, encompassing both firms owned by women and minority group members.
- e. To be certified as a DBE, a firm must be a small business owned and controlled by socially and economically disadvantaged individuals. Certifiers make the determinations based upon on-site visits, personal interviews, reviews of licenses, stock ownership, equipment, bonding capacity, work completed, resume of principal owners and financial capacity.
- f. <http://osdbu.dot.gov/DBEProgram/index.cfm>
- g. http://osdbu.dot.gov/DBEProgram/Whats_DBE_program.cfm

VIII. VOSB – Veteran Owned Small Business

- a. To qualify as a VOSB, a business concern must be at least 51% owned by one or more eligible veterans; or, in the case of any publicly-owned business, at least 51% of the stock is owned by one or more veterans, and whose management and daily business operations are controlled by such veterans.



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- b. The Center for Veterans Enterprise (CVE) in the U.S. Department of Veteran's Affairs (VA) provides the following services free to anyone who served in the active military, naval or air service, and who was discharged or released there from under conditions other than dishonorable:
- i. Vendor Information Pages (VIP) – a veteran business database that lists businesses that are 51% or more owned by veterans or service-connected disabled veterans. VIP averages over 4500 visits per month accounting for over 4100 vendor searches by federal agencies, prime contractors and private citizens. This database is also the sole source for all inquiries for market research requested through CVE and VA. VIP is located at <http://www.vip.vetbiz.gov/>
 - ii. Assistance Program Pages (APP) – an electronic Clearinghouse that provides a wealth of resources for the veteran contemplating small business ownership and veteran small business owners considering expansion. This database of professional business development organizations provides assistance in startup, financing and procurement as well as other areas in your local community. APP provides a one stop resource center for veterans interested in business ownership and can be found at <http://app.vetbiz.gov/>
 - iii. Business, Coaching, Networking and Outreach -- In-house experts help veteran business owners with specific business questions, brainstorming and counseling. For information, call toll free at 866-584-2344 or send an email to VACVE@va.gov
- IX. Service-Disabled Veteran-Owned Small Business Concern (SDVOSBC)**
- a. In 2003, Congress created a procurement program for small business concerns owned and controlled by service-disabled veterans (commonly referred to as the "Service-Disabled Veteran-owned Small Business (SDVOSB) Procurement Program"). The purpose of the program is to provide federal contracting assistance to SDVOSBs.
 - b. The SDVOSB Program requires that federal contracting agencies establish and achieve a participation goal of 3% of the total value of all prime contract and sub-contract awards for each fiscal year for small businesses owned and controlled by veterans with service-connected disabilities.
 - c. There is no federal SDVOSB certification program. The service disabled veteran business owner self represents his or her service-disabled status and small business status in the contract representations and certifications. To be eligible for the SDVOSB program, a veteran must be able to produce one of the following stating that s/he has a service-connected disability in the event of a protest:
 - i. Adjudication letter from the Veterans Administration; or



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- ii. Department of Defense Form 214, Certificate of Release or Discharge from Active Duty.
- d. According to the Center for Veteran's Enterprise, Defense Form 214 is needed to prove that the individual is honorably discharged and it also documents the type of service disability. The letter from VA is needed for confirmation that the individual is eligible to under the program and that there is a disability.
- e. To be seen as a SDVOSB, a small business concern must meet the following two conditions and this is a self-certification process:
 - i. At least 51 percent owned by one or more Service-Disabled Veterans; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more Service-Disabled Veterans; and
 - ii. Management and daily business operations are controlled by one or more Service-Disabled Veterans (or in the case of a veteran with a permanent and severe disability, the spouse or permanent caregiver of such a veteran).
- f. More information on the SDVOSB Program can be found on the Veterans Affairs web site.
 - i. at: <http://www.vetbiz.gov/> (U.S.Department of Veteran's Affairs)
 - ii. Also, FAR 19.14 provides details of the program
http://www.arnet.gov/far/current/html/Subpart%2019_14.html
- g. Most of the above information is available at <http://osdbu.dot.gov/index.cfm>

REGIONAL

- I. South Regions Minority Business Council
 - a. Established in 1983, the South Regions Minority Business Council is an affiliate of the National Minority Supplier Development Council (NMSDC). The SRMBC's mission is to facilitate relationships between corporations, educational, governmental and health care entities and certified MBEs.
 - b. A Minority Business Enterprise is defined as: "*A for profit enterprise, regardless of size, which is owned, operated and controlled by minority group members.*"
 - c. "Minority group members" are U.S. citizens who are African-American, Hispanic American, Native American, Asian-Pacific American and Asian-Indian American.
 - d. "Ownership" by minority individuals means the business is at a minimum 51% owned by such individuals (or in the case of publicly owned businesses, at least 51% of the stock is by one or more such individuals).
 - e. Benefits of becoming a Certified Minority Supplier include:



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- i. Expanded business opportunities. More than two-thirds of MBEs confirm an increase in revenues as a result of partnership with Corporate Members.
 - ii. Local, regional and national referrals of minority business to member corporations.
 - iii. Exposure to about 3,600 leading national, regional and local companies.
 - iv. Access to corporate buyers.
 - v. Listing in the SRMBC and National Minority Supplier Development Council MBE computer database ([MBISYS](#)).
 - vi. Participation in education programs and workshops to assist in personal and professional growth.
 - vii. Opportunities to network with Corporate Members at various SRMBC events and activities.
 - viii. Second tier and MBE to MBE business opportunities.
- f. www.srmbc.org

STATE

- I. Alabama Department of Transportation's DBE Program
 - a. The United States Department of Transportation (DOT) has had in effect for more than 25 years a policy of helping small business owned and controlled by socially and economically disadvantaged individuals, including minorities and women, in participating in contracting opportunities created by DOT financial assistance programs. The Department through its Operating Administrations distributes in excess of \$20 billion annually to help finance thousands of projects across the nation. Approximately 85% of the assistance dollars is allocated to State highway and transportation agencies for highway construction.
 - b. In 1983, Congress enacted the first disadvantaged business enterprise (DBE) statutory provision. This provision required the Department to ensure that at least 10% of the funds authorized for the highway and transit financial assistance programs be expended with DBEs. In 1987, Congress re-authorized and amended the statutory DBE program. In the transportation legislation of that year, Congress, among other changes, added women to the groups presumed to be disadvantaged. Since 1987 DOT has established a single DBE goal, encompassing both firms owned by women and minority group members.
 - c. Primarily, three major DOT operating administrations are involved in the DBE program. They are the Federal Highway Administration, The Federal Aviation Administration and the Federal Transit Administration. The DOT DBE program is carried out by the state and local transportation agencies



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under the rules and guidelines in the Code of Federal Regulations. (Title 49, Part 26).

- d. <http://www.dot.state.al.us/docs>

II. State of Alabama Office of Minority Business Enterprise

- a. The Office of Minority Business Enterprise's (OMBE) primary objective is to serve and promote the interest of small and minority-owned and female-owned businesses. The office provides information on procurement and contracting opportunities with federal, state, county and city agencies and assist in meeting state procurement opportunities. Additionally, the office provides certification for minority and female owned businesses.
- b. http://www.adeca.state.al.us/C11/REAP/Document%20Library/OMBE_application.pdf

LOCAL

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