

## **Small Business Enterprise (SBE) Certification**

The Department of General Services, Procurement Division's, Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS) is the state's certifying agency that administers the Small Business (SB) Program. Non-profit Veteran Service Agencies receive certification upon application approval. Non-profit organizations will only receive a registration upon application approval.

In order for a small business to be eligible for SB certification, the small business must meet the following requirements:

- Be independently owned and operated;
- Not dominant in field of operation;
- Principal office located in California;
- Owners (officers, if a corporation) domiciled in California; and,
- Including affiliates, be either,
  - A business with 100 or fewer employees; an average annual gross receipts of \$14 million or less, over the last three tax years;
  - A manufacturer\* with 100 or fewer employees; or,
  - A microbusiness. A small business will automatically be designated as a microbusiness, if gross annual receipts are less than \$3,500,000; or the small business is a manufacturer with 25 or fewer employees.

\* For Small Business Certification purposes, a manufacturer is a business that is both of the following:

1. Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
2. Classified between Codes 31 to 339999, inclusive, of the North American Industrial Classification System (NAICS) Manual, published by the United States Census Bureau, 2007 edition.

Information on SB certification can be obtained from: California Department of General Services (DGS).

## **Woman Business Enterprise (WBE) Certification**

Criteria for Certification:

- Applicant company must be at least fifty-one percent (51%) owned and controlled by one or more women who are U.S. citizens or lawful permanent residents, or in the case of any publicly-owned business, at least fifty-one percent (51%) of the equity of which is owned and controlled by one or more women who are U.S. citizens or lawful permanent residents; and
- Whose management and daily operation is controlled by one or more of the women owners.

Information on WBE certification may be obtained from: Women Business Enterprise Council (WBEC) - West.

## **Minority Business Enterprise (MBE) Certification**

A Minority Business Enterprise is a for-profit enterprise, regardless of size, physically located in the U. S. or its trust territories, which is 51% owned, managed, operated and controlled by an ethnic minority or a group of ethnic minorities on a day-to-day basis.

An ethnic minority is an individual whose origin or heritage is of or from:

- Any of the Black racial groups of Sub-Saharan Africa (African-Americans)
- Any of the Spanish speaking countries of Latin America, Mexico, Central America, South America, the Caribbean and Brazil (Afro-Brazilian and Brazilian Indians only) (Hispanic-Americans)
- American Indian, Eskimo, Aleut or Native Hawaiian (Native Americans). Native Americans must be documented members of a North American tribe, band or organized group of native people indigenous to the continental U.S.

- Bangladesh, Cambodia, China, Guam, India, Indonesia, Japan, Korea, Laos, Malaysia, Pakistan, the Philippines, Samoa, Thailand, Sri Lanka, Taiwan, the U.S. Trust Territories of the Pacific or the Northern Marianas and Vietnam. (Asian Americans, Pacific Islanders, Asian Indian Americans).

Information on MBE certification may be obtained from: Southern California Minority Supplier Development Council (SCMSDC).

### **Disabled Veteran Business Enterprises (DVBE) Certification**

The Department of General Services, Procurement Division's, Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS) is the state's certifying agency that administers the DVBE Certification Program. Non-profit Veteran Service Agencies receive certification upon application approval. Non-profit organizations will only receive a registration upon application approval.

For DVBE certification purposes, a "disabled veteran" is:

- A veteran of the U.S. military, naval, or air service;
- The veteran must have a service-connected disability of at least 10% or more; and
- The veteran must reside in California.

To be certified as a DVBE, your firm must meet the following requirements:

- Your business must be at least 51% owned by one or more disabled veterans;
- Your daily business operations must be managed and controlled by one or more disabled veterans

**NOTE:** The disabled veteran who manages and controls the business is not required to be an owner of the applicant business; and

- Your home office must be located in the U.S. (the home office cannot be a branch or subsidiary of a foreign corporation, foreign firm, or other foreign based business).
- All existing and all new DVBE applicants must submit to the Office of Small Business and DVBE Services (OSDS) complete copies of the DVBE's federal income tax returns for the previous three years. DVBEs who have been in business for less than three years shall submit the federal tax returns for each year they've been in business.
- A DVBE applicant that is not a sole proprietorship and rents equipment to the state must provide the federal income tax returns for each of their disabled veteran owners or your firm will be deemed to be an equipment broker.
- DVBE limited liability companies must be wholly owned by one or more disabled veterans.

Information on DVBE certification can be obtained from: California Department of General Services (DGS).

### **Disadvantaged Business Enterprises (DBE) Certification**

In order to apply for certification as a Disadvantaged Business Enterprise (DBE), your firm must meet the following eligibility criteria stated in 49 CFR Part 26:

- The disadvantaged individual must be a U.S. citizen (or resident alien) and be a member of a [socially and economically disadvantaged group](#) as defined in the Code of Federal Regulation 49 CFR Part 26.67. Presumptive groups include Women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian-Americans, or any individual found to be socially and economically disadvantaged on a case-by-case basis.
- The disadvantaged individual applying must have a personal net-worth (PNW) of less than \$1,320,000. Items excluded from personal net worth calculation include an individual's ownership interest in the applicant firm and his or her equity in their primary. Also, if an individual demonstrates that he/she is able to accumulate substantial wealth, the individual's claim of economic disadvantage may be denied, even though the individual's PNW is less than \$1.32 million.

- Depending on the primary business activity, a firm (including its affiliates) must not have average annual gross receipts over the firm's previous three fiscal years in excess of \$23,980,000 (\$56,420,000 for airport concessionaires in general with some exceptions). Lower size standards may apply depending on business activity determination.
- The firm must be a for-profit small business where socially and economically disadvantaged DBE owner(s) own at least a 51% interest, and have managerial and operational control of the business operations; the firm must not be tied to another firm in such a way as to compromise its independence and control.
- The socially and economically DBE owner(s) must possess the power to direct or cause the direction to the management and policies of the firm and to make day-to-day, as well as long-term decisions on matters of management, policy and operations.
- If state or local law requires the persons to have a particular license or other credential in order to own and/or control a certain type of firm, then the socially and economically disadvantaged persons who own and control a potential DBE firm of that type must possess the required license or credential.

Information on DBE certification can be obtained from: California Department of Transportation (Caltrans) Office of Business & Economic Opportunity Certification Unit.