DBE Certification Webinar
Hosted by the Business Outreach Committee

August 11, 2020 | 11:00 AM
Presented by
Sheila Evans-Peguese (SFMTA)
Training Objectives

- What is a DBE?
- DBE Program Objectives
- DBE Background
- Operating Administrations
- Roles and Responsibilities
- California Unified Certification Program (CUCP)
- CUCP Certifying Agencies
- Benefits of Certification
- DBE Eligibility
- Application Process
- Maintaining Your Certification
- You're Certified, Now What?
What is a DBE?

A for-profit small business concern:

• Must be at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals; and

• Managed and controlled by one or more of the socially and economically disadvantaged individuals who own it.

• Code of Federal Regulations: 49 CFR Part 26
DBE Program Objectives

- To ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs.

- To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts.

- To help remove barriers to the participation of DBEs in DOT-assisted contracts.
DBE Program Objectives (cont.)

- To ensure that only firms that fully meet this part's eligibility standards are permitted to participate as DBEs.

- To assist the development of firms that can compete successfully in the marketplace outside the DBE program.

- To promote the use of DBEs in all types of federally-assisted contracts and procurement activities conducted by recipients.
DBE Background

DBE Program (Civil Rights Act of 1964)

1983 Final Rule
- 1st DBE Statutory Provision
- At least 10% of funds expended to DBEs

1999 Final Rule
- Introduced Part 26
- DBE Program Plan
- Unified Certification Programs

2011 Final Rule
- Interstate Certification

1987 Final Rule
- Reauthorized & amended DBE Statute
- Women added to program

2009 Final Rule
- Size limit or gross revenue caps adjusted for inflation

2014 Final Rule
- Uniform Certification Application & Reporting Forms
- Suspension under certain Circumstances
Operating Administrations:

- Federal Transit Administration (FTA)
- Federal Highway Administration (FHWA)
- Federal Aviation Administration (FAA)
Roles and Responsibilities

**United States Department of Transportation (U.S. DOT)**
- Develop rules and regulations for the DBE Program
- Provide guidance and oversight
- Review appeals on certification decisions

**State and Local Transportation Agencies (Recipients)**
- Establish overall DBE goals (every 3 years)
- Establish contract-specific DBE goals on applicable contracts
- Ensure eligibility of DBE firms
- Monitor and enforce DBE program requirements
California Unified Certification Program (CUCP)

- Every state must have a Unified Certification Program (UCP)
- Not all CUCP member agencies conduct certifications
- CUCP agencies operate under one agreement
- CUCP offers “one-stop” shopping
- Website: https://cucp.dot.ca.gov/cucp/
CUCP Certifying Agencies:

**Northern California:**

California Department of Transportation (CALTRANS):
DBE.Certification@dot.ca.gov

Bay Area Rapid Transit District (BART):
OCRcertifications@bart.gov

San Francisco Municipal Transportation Agency (SFMTA):
Sheila.Evans-Peguese@sfmta.com

San Francisco International Airport (SFO):
smallbusiness@flysfo.com

Santa Clara Valley Transportation Authority (VTA):
osdb@vta.org

San Mateo County Transit District (SAMTRANS):
dbeinfo@smatrans.com
Southern California

City of Los Angeles:

bcacertifications@lacity.org

Los Angeles County Metropolitan Transportation Authority (METRO):

certificationunit@metro.net

Los Angeles World Airports (LAWA):

bcacertifications@lacity.org

San Diego International Airport (SAN):

smallbusiness@san.org
Benefits of Certification:

- Certification is recognized by transit agencies in California.
- Expands opportunities to participate on federally-funded contracts.
- Become accessible to Prime contractors needing to fulfill DBE participation goal requirements.
- Listing on the CUCP database.
- Increases opportunities to network at events like pre-bids and procurement fairs.
DBE Eligibility:

- Ownership
- Control
- Socially & Economically Disadvantaged
- Independence
- Personal Net Worth
- Business Size Standard
To be a DBE, a disadvantaged firm must be at least 51% owned by socially and economically disadvantaged individuals.
DBE Eligibility (cont.)

- Owned by a US citizen or lawfully admitted permanent resident.
- Asian-Pacific
- Black
- Hispanic
- Native American
- Subcontinent-Asian
- Women
- In some cases, refer to 49 CFR 26, Appendix E
DBE Eligibility - PERSONAL NET WORTH (PNW)

- The 51% majority owner(s) must not have PNW in excess of $1.32 million.
The 51% majority owner(s) must be free of any formal or informal restrictions that would affect their ability to own and/or control the firm.
DBE Eligibility - INDEPENDENCE

- Only an independent business may be certified as a DBE.
DBE Eligibility (cont.)

- 3-year average gross receipts cannot exceed $23.98 million*

* Can vary by industry.
Application Process:

1. Application is assigned to a certification analyst.

2. Analyst conducts preliminary review to identify missing documentation and request further clarification (if needed).

3. A site visit is scheduled and conducted.

4. Analyst will conduct a final review of the record in its entirety and make an eligibility recommendation.

5. Certification determination completed.
Covid-19 Advisory

- In light of the COVID-19 pandemic, agencies may use computer, tablet, and mobile device technologies, such as Skype, Zoom, and other similar telecommunication applications, to interview firm owners and key personnel and take virtual tours of office space, equipment, and job sites. In order to carry out site visits, agencies may also:
  - Visiting the residence/office building to take external photographs and confirm the owner’s presence (if doing so does not compromise social distancing).
  - Conducting drive-by visits of job sites to photograph necessary items.
  - Asking firm owners to electronically submit supplemental and additional pictures of equipment, etc.
Online Application

https://dot.ca.gov/programs/civil-rights/dbe-certification-information

Downloadable California Unified Certification Program (CUCP) DBE Application Forms

DBE and ACDBE Forms

- CUCP DBE Certification Application Package & Instructions
- Personal Net Worth Statement
- Annual Update Declaration
- CUCP Out-of-State Declaration
- CUCP Roster of Certifying Agencies
Application Tips:

- Applicant firm has the burden of proving eligibility.
- Use the “Supporting Documents Checklist” when preparing your application package for mailing or online submission.
- Notarize the Affidavit of Certification.
- Complete each section of the application and the Personal Net Worth statement.
- Notarize the PNW.
- Be prepared to discuss all aspects of your business during the On-Site Interview.
- For questions, contact your certifying agency for further details.
Interstate Certification:

- Firms must be certified in their home state before seeking certification in another state.

- The California certifying agency can request the on-site report from the home state.

- Out-of-state businesses must submit a complete package of all the documents submitted to their home state.

- Each state varies in their determination of interstate certification. California requires a full analysis of another state's certification before granting interstate certification.
Denial of Certification:

- Denials of certification may be appealed if you believe all facts have not been duly considered. Denied firms must submit written appeal within 90 days of the date of denial letter.

- Certification denials are appealable to the U.S. DOT, not the certifying agency.
  - Why was the certification decision erroneous?
  - Which facts were not considered by the certifying agency?
  - Which regulatory provision was improperly implied?
You're Certified! ... Now What?

- Market your firm.
- Be prepared and be proactive.
- Network with other firms and agencies.
- Stay informed of upcoming opportunities.
Certification Maintenance

- Notify the certifying agency immediately of changes to ownership, business structure, primary business activities, etc.

- Make sure your contact information is accurate and up-to-date in the CUCP database.

- Respond to Annual Update Affidavits (AUA)/5th-Year Review Process.
  - Failure to respond could result in suspension of your DBE certification.
Suspension of DBE Certification:

- When a DBE fails to timely file a no-change affidavit or provide supporting documents.
- Incarceration or death of disadvantaged owners.
- Material changes affecting DBE certification eligibility.
  - Certifying agencies must be notified in writing of material changes to the firm.
Effects of Suspension:

- A suspended DBE is not eligible to receive credit toward a DBE contract goal on a new contract.

- A suspended DBE may continue to perform under an existing contract executed before the DBE receives a notice of suspension and may be counted toward the contract goal.
Resolution of Suspension:

- If the DBE believes it is no longer eligible, it may voluntarily withdraw from the program.

- If the DBE believes its eligibility should be reinstated, it must provide information to support that it maintains eligibility under the changed circumstances.

- A certifying agency must make an eligibility determination within 30 days of receiving information from a suspended DBE.

- Decision to suspend a DBE is not appealable to the U.S. DOT.
Questions & Answers:
No-Cost Government Contracting Assistance

Procurement Technical Assistance Centers

Presented by Kristina Kunkel
Program Director, Norcal PTAC
PTACs in California

- 94 PTACs nationwide
- Help businesses compete & succeed in the government marketplace
- All services are no-cost: funded by federal, state, and local grants and contracts
- In 2018, PTACs served over 54,000 clients and helped them win over $26 billion in government contracts and subcontracts. That’s a return on investment (ROI) of $634 for every $1 in federal spending!
In Fiscal Year 2018-2019, Norcal PTAC clients won more than $268 million in government contract awards.

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Norcal PTAC Services

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- Certifications
- Crafting capabilities statements
- Market research – GovSpend
- Marketing to government agencies
- Proposal reviews
- Post-award support
- Connecting primes & subs
- GSA schedules
- SBIR/STTR
- Anything related to federal, state, local, or tribal government contracting
Resources for Small Businesses

Find your PTAC – Find your SBDC – SBA Small Business Events – Identify your NAICS – DBE program
SB/DVBE Certification – Federal Contract Opportunities – State of CA Opportunities – WOSB certification
Caltrans Contractor’s Corner – Cal eProcure Vendor Training – Veterans First Program
Federal Certification Eligibility – Dynamic Small Business Search – CA Code of Regulations
Minority Supplier Development Council – System for Award Management – Dunn & Bradstreet
8(a) Business Development Program – HUBZone Program – Norcal PTAC: COVID-19 Resources

Upcoming webinars: [https://www.norcalptac.org/calendar](https://www.norcalptac.org/calendar)
Aug 18: Doing Business with Caltrans Under $10K
Aug 19: Contracting with California State Government
Aug 25: Finding Contracting Opportunities
Past webinars: [https://www.norcalptac.org/webinars](https://www.norcalptac.org/webinars)

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From the Business Outreach Committee