



City of Kansas City, Missouri

Small Business Enterprise (SBE) Program

August 2015
Human Relations Department

GENERAL INFORMATION

A. Overview

The City of Kansas City, Missouri (City) is committed to taking all reasonable steps to eliminate obstacles to the participation of DBEs and SBEs as prime contractors or subcontractors in its procurements procedures.

The SBE Program will seek to eliminate and remove the bundling of contract requirements; provide race-neutral small business sheltered markets for DBE prime contracts; require bidders on large contracts to identify and/or provide specific subcontracts appropriate for small business participation; develop acquisition strategies and structure procurements to letting prime contract of a size that small businesses can reasonably compete for and perform.

The program is race-neutral in nature and is therefore open to participants without regard to race, color, sex, religion, national or ethnic origin, age or disability. The SBE Program will only apply to *eligible* City contracts in which the successful small business awardees will function as the prime contractor, and will not require minority and women goals. Eligible contracts will be those receiving federal funding of \$100,000 or less.

B. Applicability and Authority

City is the recipient of federal transit funds authorized by Titles I, III, V, and VI of ISTEA, Pub. L. 102-240 or by Federal Transit Laws in Title 49, U.S. Code, or Title, I, II, and V of Teas-21, Pub. L. 105-178. As a condition of assistance, City is to implement a race and gender neutral small business program as a part of City's larger DBE program.

C. Definition

Small business enterprise is defined as a for-profit small business:

1. That is at least 51% owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens;
2. Whose management and daily business operations are controlled by one or more of the individuals who own the small business;
3. Whose owner's personal net worth (PNW) does not exceed the PNW cap in 49 CFR Part 26, currently \$1.32 million; and
4. That is not dominant in its field; and
5. Which meets Small Business Administration business size standard(s) found in 13 CFR Part 121 appropriate to the type(s) of work the firm seeks to perform in DOT-assisted contracts.

Disadvantaged Business Enterprise is defined as a for-profit small business:

1. That is 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;
2. Whose socially and economically disadvantaged owners do not exceed the personal net worth (PNW) described in 49 CFR Part 26. The current PNW cap is \$1.32 million.
3. Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it; and

4. Has been certified as a DBE by the Missouri Regional Certification Committee (MRCC) under the regulations in 49 CFR Part 26.

D. Small Business Program Details

1. City's SBE Program will provide for contracting procedures that are structured to facilitate (1) competition by small business concerns; (2) small business participation in procurements as prime contractors or subcontractors; and (3) elimination of obstacles to small business participation, as follows:
 - a. On a case-by case basis, City will consider dividing a contract into smaller-sized packages that are within the financial resources and capacity of small business concerns. Solicitation documents will clearly identify these contract opportunities for small business enterprises.
 - b. Where feasible, the City will create a sheltered market by utilizing our SBE Program to establish prime contract awards to be exclusively for participation by small businesses on federally assisted contracts.
 - c. On prime contracts not having DBE contract goals, the prime contractor will be asked to exercise good faith efforts for small business participation in the contract of a size that small business concerns, including DBEs, can reasonably perform rather than self-performing all the work involved. This will be accomplished in the solicitation process.
2. City does not use quotas in any way in the administration of this SBE program. However, to facilitate competition on federally funded projects, City will recommend SBEs prime contract awards be set aside exclusively for participation by small businesses by creating a "sheltered market."
3. City's SBE program does not have goals. The use of small business goals is not required under 46 CFR Part 26.39

E. Certification Requirements And Verification Procedures

Firms must meet the small business requirements established under the Small Business Administration (SBA) size standards, contained in 13 CFR Sections 21.101-201 to be certified as a SBE with the City. Specifically, City accepts the SBA size standards as outlined at www.sba.gov.

1. Certification and Details

City will accept the following certifications for participation in the small business element of City's DBE Program:

- **DBE certification** by any of the member Missouri Regional Certification Commission (MRCC) agencies that meet all the requirements of 49 CFR Part 26.
- **MRCC SBE Program Declaration of Certification.** This form is for out of state firms seeking SBE status. This notarized certification shall be accompanied by copies of the business tax returns for the most recent three-year period indicating gross receipts.
- **SBE program application** found on City's website at <http://kcmo.gov/humanrelations/certification-compliance/mwdbe-sbe-slbe-affirmative-action/>

2. Certification Process

The SBE certification process begins with the preliminary screening of the Application and supporting documentation. After the preliminary screening, a desk audit will be performed.

Following the desk audit, City will conduct an on-site interview with the owners(s) and key personnel of the applicant firm to clarify any issues identified through the desk audit and, if warranted, to collect additional information directly from the applicant firm. If the firm's location is not within the City's geographical area, the City will obtain the on-site report from the firm's home state. All submitted documentation, along with notes from the on-site interview, are aggregated in a certification file for the applicant firm. Any additional information needed to assess certification eligibility is required to be provided by the applicant firm upon request by the City. When all required information has been submitted, City will assess the applicant firm's eligibility under the certification requirements.

Once all paperwork has been provided, an onsite audit has been performed and upon completion of the certification review process, City will prepare a report of its findings along with a recommendation to grant or deny SBE certification. In most cases, certification decisions will be issued within 90 days of the firm applying.

To qualify as an SBE, a firm must satisfy each of the SBE Program certification requirements. SBE certification decisions are based on considering facts as a whole. When it is determined that SBE certification requirements have not been met, City will deny certification. If an application for SBE certification is denied, the applicant may reapply for SBE certification one year after the date of the denial letter.