



Maryland Department of Transportation

OFFICE OF MINORITY BUSINESS ENTERPRISE

10 Tips for MBE/DBE Applicants

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WHY CERTIFY?

Benefits of MBE/DBE Certification

- Receive greater exposure to work opportunities on State, federal and local government contracts.
- Market your firm as an MBE/DBE certified vendor.
- Actively participate in meeting public and private sector minority participation contracting goals.
- Receive access to discount loan rates from lenders participating in the State's Linked Deposit Program.
- Streamlined application process with neighboring jurisdictions under the Modified Reciprocity Certification Program (MDOT, VDMBE, WMATA, DDOT, MWAA).

Navigating the Application Process



Top 10 Tips For New Applicants

Tip # 10



**Determine which certification
is right for you.**

Types of Certification



- MBE (all State contracts)
- DBE (USDOT-assisted contracts)
- ACDBE (Airport Concessionaire)

Check out the MBE/DBE Program Manual:

www.mdot.state.md.us/MBE_Program/Documents/2000_MBE_Manual.pdf

Tip # 9



Familiarize yourself with the requirements for certification.

Who is Eligible for MBE/DBE Certification?



An MBE/DBE 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
- ▣ The owner must have managerial and operational control
- ▣ Firms are certified in specific areas of work (NAICS)

Who is Eligible for MBE/DBE Certification?



Certain groups are presumed to be socially and economically disadvantaged:

- African American
- American Indian/Native American
- Asian
- Hispanic
- Women
- Persons found by the certification agency to be socially and economically disadvantaged

Who is Eligible for MBE/DBE Certification?



The State MBE Program also includes disabled persons and non-profit organizations.

- ▣ Disabled owner must demonstrate the following:
 - He/she has a disability
 - He/she is generally regarded as having such a disability
 - The disability has substantially limited his/her ability to engage in competitive business
- ▣ Non-profit firms must:
 - Be organized to promote the interests of the physically or mentally disabled
or
 - Be accredited by the Maryland Division of Rehabilitation Services (DORS) as Community Rehabilitation Programs

What Else is Required for Certification?



All applicants are subject to a Personal Net Worth (PNW) cap.

- ▣ PNW is defined as the net value of the assets held by an individual, and includes, if married, those assets held jointly or as community property with spouse
- ▣ PNW does not include:
 - Individual ownership interest in the applicant's business
 - Equity in applicant's primary place of residence
- ▣ State (MBE) Threshold - \$1.5 million
- ▣ Federal (DBE) Threshold - \$750,000

What Else is Required for Certification?



MBE/DBE firms must also be “small.”

- ▣ The MBE/DBE Program incorporates size standards set by the U.S. Small Business Administration (SBA) in its regulations (13 CFR Part 121)
- ▣ Size standards are stated in the number of employees or average annual receipts, and represent the largest size a business (including its subsidiaries and affiliates) may be to obtain or remain an MBE/DBE
- ▣ Size standards are set forth by industry area (NAICS Code)

Tip # 8



**Certification is not just
about minority
ownership.**

Control



The socially and economically disadvantaged owner(s) must *also* have both **operational** and **managerial control** of the firm.

- ▣ To demonstrate operational control, the disadvantaged owner(s) must:
 - Be technically competent and have some experience directly related to the industry for which certification is sought

- ▣ To demonstrate managerial control, the disadvantaged owner(s) must:
 - Have the demonstrable ability to make independent and unilateral decisions to guide the future and destiny of the business

Tip # 7



Include all required documents with your application.

What Documentation is Required?



- Notarized Application
- Supporting Documentation:
 - ▣ Personal Net Worth Statement
 - ▣ Individual and Firm Tax Returns
 - ▣ Business Structure Documents (e.g., articles of incorporation, stock certificates, partnership or operating agreements, etc.)
 - ▣ Loan Agreements
 - ▣ Lease Agreements
 - ▣ Resumes of key personnel
 - ▣ List of equipment and proof of ownership
 - ▣ Business Licenses

Tip # 6



Know the products and/or services you want to provide through your certification.

NAICS Codes



- ❑ Firms are certified to perform specific areas of work by NAICS Codes.
- ❑ NAICS (North American Industry Classification System) is a six-digit system for classifying business establishments developed by the U.S. Office of Budget and Management.
- ❑ NAICS are further refined by a “products and services” description.
- ❑ NAICS codes with descriptions can be found on-line at www.census.gov/naics.

Tip # 5



Be responsive to requests for additional information.

How Are Applications Processed?

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graph TD; A[Intake and Review] --> B[Verification of Documents]; B --> C[Onsite Interview/Job Site Visit]; C --> D["Internal Review  
(Investigative Report)"]; D --> E[IRC/MBEAC]; E --> F[CERTIFICATION];
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Intake and Review

Verification of Documents

Onsite Interview/Job Site Visit

Internal Review

(Investigative Report)

IRC/MBEAC

CERTIFICATION

Tip # 4



**Once you are certified,
review your online
MBE/DBE Directory
listing.**

MDOT MBE/DBE Directory

- All certified firms appear in the MDOT MBE/DBE Directory.
- The MBE/DBE Directory can be accessed on the Internet – view link at www.marylandtransportation.com.
- The Directory provides the following information:
 - Name of firm
 - Address and contact information
 - Certification Number
 - Minority Status
 - NAICS Code/Products and Services Description
 - Certification Status: State (“MBE”)/ Federal (“DBE”)/ Graduated


MDOT Directory of Certified MBE and/or DBE firms
[BACK](#) | [EXIT](#)

This search returned **4** certified firms...

Click the firm name to view the complete firm profile and any references.

Firm Details	NAICS - Product and Service Description
MADISON CONCRETE, LLC 5707 KIRBY ROAD CLINTON, MD 20735 AFRICAN AMERICAN 08-212	238110-MBE/DBE - POURED CONCRETE FOUNDATION AND STRUCTURE CONTRACTORS SPECIFICALLY: CONCRETE FLOOR SURFACE, FINISHING REPAIR, RESURFACING, FOOTING & FOUNDATION 238990-MBE/DBE - ALL OTHER SPECIALTY TRADE CONTRACTORS SPECIFICALLY: CONCRETE PATIO CONSTRUCTION, PAVING, RESIDENTIAL AND COMMERCIAL DRIVEWAY AND PARKING AREA
MADISON CONSTRUCTION MANAGEMENT, INC. 210 RACCOON RUN COURT HANOVER, MD 21076 AFRICAN AMERICAN 00-209	236220-MBE/DBE - COMMERCIAL AND INSTITUTIONAL BUILDING CONSTRUCTION (SPECIFICALLY: CONSTRUCTION MANAGEMENT, GENERAL CONTRACTOR) 236220-MBE/DBE - COMMERCIAL AND INSTITUTIONAL BUILDING CONSTRUCTION 238110-MBE/DBE - POURED CONCRETE FOUNDATION AND STRUCTURE CONTRACTORS (SPECIFICALLY: SMALL FOUNDATION WORK, SLABS, AND SIDEWALKS.) 238220-MBE/DBE - PLUMBING, HEATING, AND AIR-CONDITIONING CONTRACTORS (SPECIFICALLY: PLUMBING) 238310-MBE/DBE - DRYWALL AND INSULATION CONTRACTORS 238350-MBE/DBE - FINISH CARPENTRY CONTRACTORS
MADISON DESIGN GROUP, INC., THE 4350 EAST-WEST HIGHWAY, SUITE 101 BETHESDA, MD 20814 AFRICAN AMERICAN 98-341	541430-MBE/DBE - GRAPHIC DESIGN SERVICES (SPECIFICALLY: MEETING/SEMINAR MATERIALS, BRANDING/IDENTITY DEVELOPMENT, CONFERENCE PACKAGES, WEBSITE DEVELOPMENT, ANNUAL REPORTS, PRINT COLLATERAL DESIGN (DIRECT MAIL PIECES, BROCHURES), ADVERTISING, AND LOGO DEVELOPMENT) 541613-MBE/DBE - MARKETING CONSULTING SERVICES
MADISON PROPERTIES, LLC 7006 C DOLDRIDGE DRIVE TEMPLE HILLS, MD 20748 FEMALE 07-295	561720-MBE/DBE - JANITORIAL SERVICES (SPECIFICALLY: JANITORIAL SERVICES, TRASH/DEBRIS REMOVAL) 561730-MBE/DBE - LANDSCAPING SERVICES (SPECIFICALLY: SNOW PLOWING DURING WINTER, LANDSCAPING DURING OTHER SEASONS)

Tip # 3



Recertify annually and expand your certification as you expand your business.

Recertification



- Once certification is granted, firms are required to complete a recertification process annually.
- Firms that continue to meet the program requirements may remain in the program indefinitely.
- Firms that meet or exceed SBA size standards are graduated from the program.

Expansion of Services



- Used to determine whether a certified MBE/DBE has the necessary expertise and experience to carry out work in areas for which it was not previously certified.
- New application is not required.
- Firms must submit a written request to MDOT's Office of Minority Business Enterprise specifying areas of expansion.
- An on-site visit to evaluate eligibility is required.
- Recent regulatory changes allow for review and recommendation by the Internal Review Committee.
- Final determination is made by the MBEAC.

Tip # 2



**Allow an appropriate
amount of time to
complete the
Process.**

How Long Does it Take to get Certified?

- Once a completed application has been received, it takes an average of **3 to 6 months** to process the application.

- Time variations are due to:
 - ▣ Applicant's **timely submission** of all necessary documents
 - ▣ **Complexity** of firm's structure
 - ▣ Staff's ability to schedule on-site and job-site interviews
 - ▣ OMBE caseload

The Office of MBE is currently receiving 100-125 new applications each month.

Tip # 1



Talk to the Experts!

MDOT's Office of Minority Business Enterprise is the official certification agency of the State.

Our experts are available to assist you at anytime during the application process.

Cost of Certification



- There is **no cost** to apply for or receive certification as an MBE/DBE through MDOT's Office of Minority Business Enterprise.

Questions?



We are eager to assist you. Contact us at anytime.

- Maryland Department of Transportation

Office of Minority Business Enterprise

410-865-1269

800-544-6056

mbe@mdot.state.md.us

Learn more online by visiting the [Minority/Disadvantaged Business](http://www.marylandtransportation.com) tab at www.marylandtransportation.com.