

September 6, 2023

Myths About DBE
Certifications and
Government
Contracts



Agenda

- Introductions
- Governor's Office of Diversity Business Enterprise Program Overview & Policy
- Myths about DBE Certifications & Government Contracts
- Questions
- Go-DBE contact information

Program Overview

- ▶ T.C.A. §12-3-1102 – 1107 was amended April 2, 2012, established the Governor's Office of Diversity Business Enterprise (Go-DBE) within the Department of General Services under the direction of the Central Procurement Office.
- ▶ The central point of contact to attract and assist minority owned, women owned, persons with disabilities, service-disabled veteran owned and small business enterprises to compete successfully in state procurement and contracting activity.



Strategy

We work with our partners and other state agencies to support diversity business enterprises.

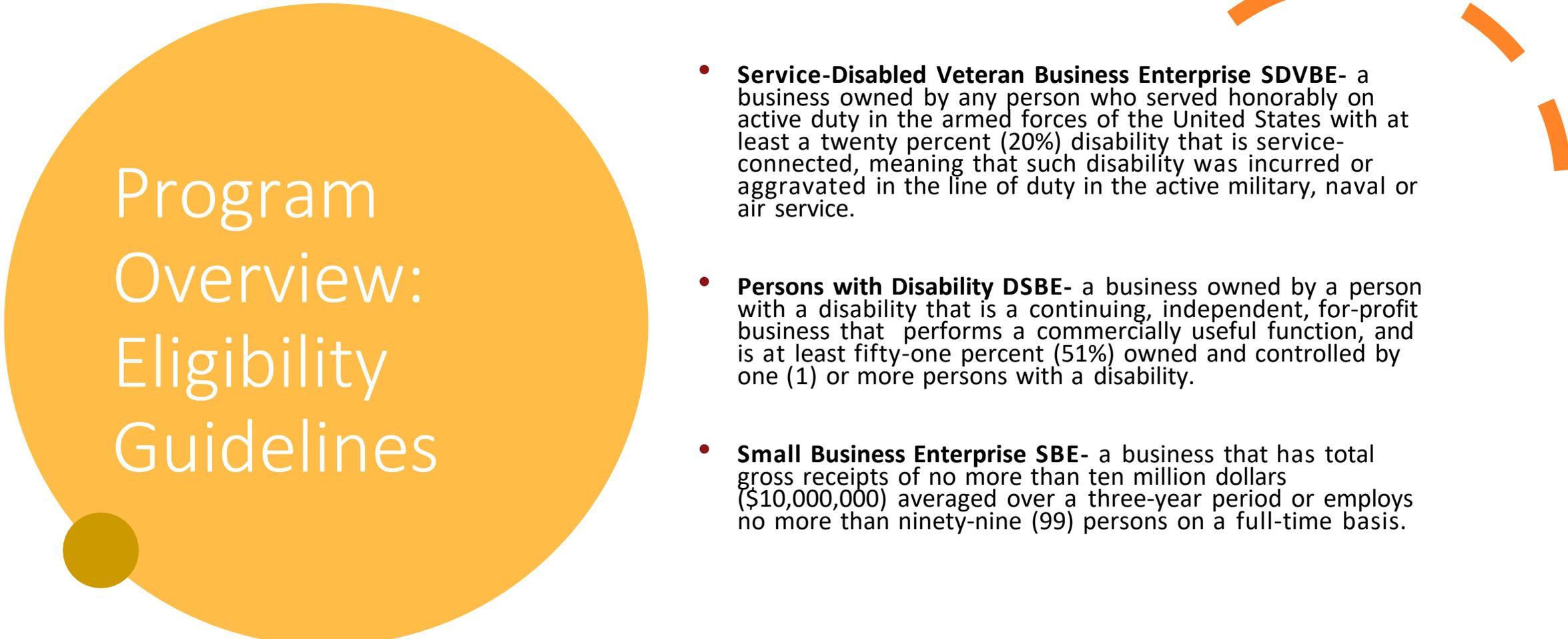
Our goals are to develop these enterprises into viable successful businesses and to ensure there is an optimal level of diversity in state contracting.

TN

Department of
General Services

Program Overview: Eligibility Guidelines

- All businesses certified with Go-DBE must be a continuing, independent, for-profit business which performs a commercially useful function and meets one (1) of the State's definition of diversity. The five (5) diversity categories are:
 - **Minority Business Enterprise MBE-** at least fifty-one percent (51%) owned and controlled by one (1) or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background.
 - **Woman Business Enterprise WBE-** at least fifty-one percent (51%) owned and controlled by one (1) or more women; or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more women and whose management and daily business operations are under the control of one (1) or more women



Program Overview: Eligibility Guidelines

- **Service-Disabled Veteran Business Enterprise SDVBE-** a business owned by any person who served honorably on active duty in the armed forces of the United States with at least a twenty percent (20%) disability that is service-connected, meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service.
- **Persons with Disability DSBE-** a business owned by a person with a disability that is a continuing, independent, for-profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more persons with a disability.
- **Small Business Enterprise SBE-** a business that has total gross receipts of no more than ten million dollars (\$10,000,000) averaged over a three-year period or employs no more than ninety-nine (99) persons on a full-time basis.

Myths About DBE Certifications & Government Contracts

1 – Acronyms

- **What is a DBE?**
- For the *State of Tennessee* DBE means “*Diversity Business Enterprise*”
- For *federal* government agencies (Dept. of transportation, Airport Authority, etc.) and other certification agencies, DBE means “*Disadvantaged Business Enterprise*”
- Keep in mind Go-DBE’s program includes the following diversity business categories: WBE, MBE, SBE, SDVBE, DSBE. All of these are DBE certifications.
- CPO – Central Procurement Office
- SWC – State-Wide Contract
- ATC – Agency Term Contract

2 – Certification Myths

- **I don't need a certification now - *false***

Obtain your certification NOW! Certification could assist your business in the future. When you least expect, you may need to have a diversity business certification readily available

- Examples:
 - *Government contracts (state, county, city)*
 - *Private sector contracts*
 - *Reciprocity with other states to do business out of TN*

- **I can have certification in multiple categories with the State - *false***

Go-DBE program allows only one diversity category per business, even if you qualify for more than one.

- **I'll have to provide 3 years of taxes - *false***

Go-DBE requires only the most recent tax return

- **I don't need an Operating Agreement as an LLC – *false***

Unless a single-member LLC, it is required to have a copy of the operating agreement. This is the crucial document that establishes who has the right to govern and control your business.

- **Small businesses do not qualify as a diversity business - *False***

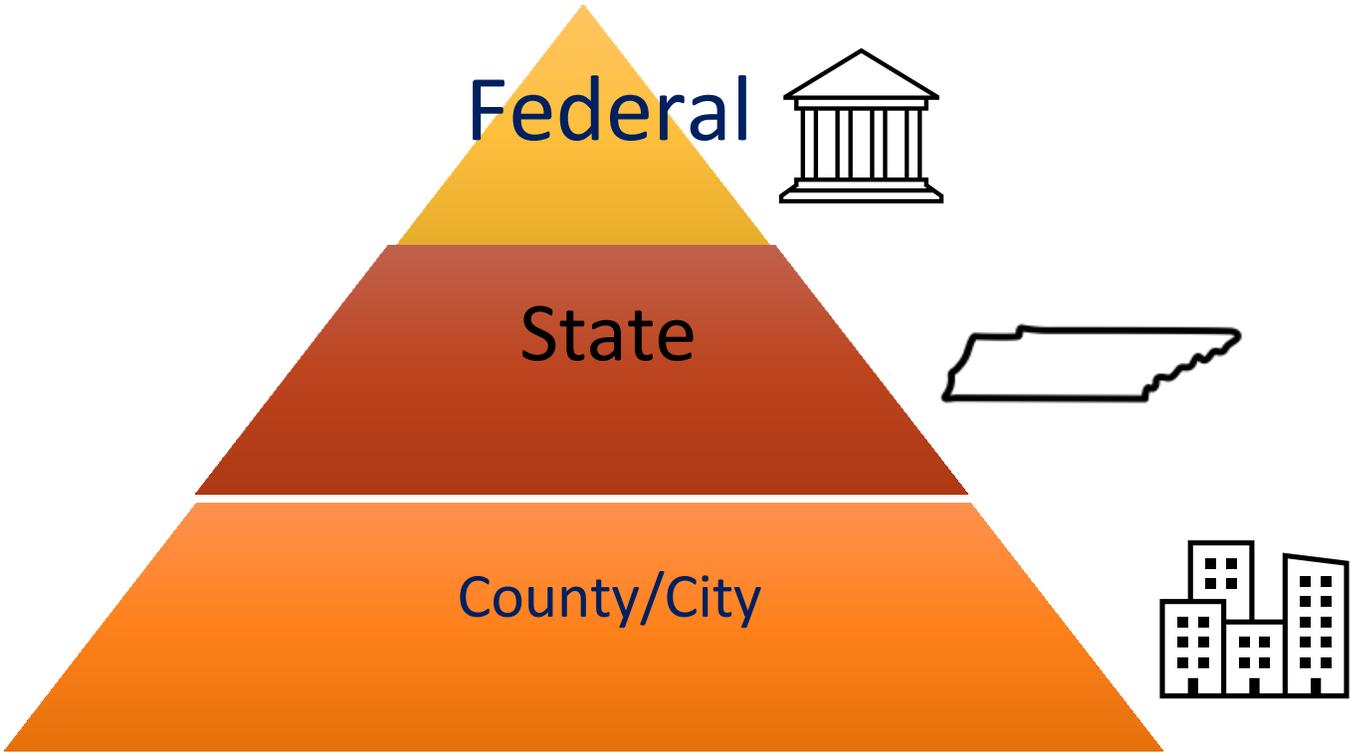
Small businesses, Service-Disabled businesses and Persons with Disabilities qualify as a diversity business in Tennessee.

3 – Diversity & Supplier Diversity Myths

- **What is Supplier Diversity?**
- Created to provide “*procurement*” opportunities to underserved communities.
- Supplier Diversity is closely aligned with government procurement and corporate strategy, and “business” aligned.
- Supplier Diversity is a strategic initiative whose results can be measured and reported.
- Confusion now comes from around the word diversity.

- **What Supplier Diversity is Not:**
- Environmental, social and governance (ESG) reporting
- Diversity, equity and inclusion (DE&I)
- Affirmative Action, which is people-centric, especially workplace issues and employment practices.

Levels of Government



3 – Myths & Expectations of a Go-DBE certification

- **There is a cost for certification.**

***NO!** Do not expect to pay for a Go-DBE certification. It's FREE!*

- **There are guaranteed contracts with certification.**

***NO!**....a certification does not guarantee a contract in State of TN Government; however, it can break a tie in an ITB. It can also have influence in the outcome of an RFP.*

- **Certification takes 3-6 months.**

***NO!** Go-DBE does ask for a 30-day review process after the application is submitted, however, processing time is often less.*



- The State of Tennessee Government does not have a set aside program. The Executive Branch agencies, U.T. and the Board of Regents have goals.
- The Federal Government does have set aside programs (*TDOT and Airport Authority*)
- A certified diversity business must still go through procurement processes in order to win a TN state government contract.
- *Bidding advantage on ITB's in the case of a tie/two winning bids*
- State Government contracts are not always a low bid, they can also be based on experience, technical expertise, or some service aspect of the procurement
- *Examples: RFP's, RFI's, RFQ's*

4- Government Contracts

- The state of Tennessee will consider questions, and comments within its allotted period. Businesses can suggest changes within the contracts (*the state would want all parties to be successful in a contract*)
- Contracts are not “*Set In Stone*” before they’re awarded. For larger contracts, its important to have your legal team review the contract.
- The state will not disqualify a vendor from a procurement for minor technicalities
 - Example: filling out certain documents (bank statements letters)
- Procurement Coordinators are there to assist you

4- Government Contracts

Go-DBE Staff

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Questions

Thank you!

