

# HOW TO BECOME CERTIFIED

**DPS Workshop Series | Hosted by: Jackie Umbles**

The Department of Procurement Services is committed to Communications and Outreach, which is key to keeping citizens informed of bid opportunities, new programs, and innovations.

Also, ensure that you download a copy of our most recent **Consolidated Buying Plan**. This is a 15-month forecast including hundreds of upcoming opportunities for 12 city agencies. To download, go to: **[www.chicago.gov/dps](http://www.chicago.gov/dps)**.

We encourage you to follow us on our website **[www.chicago.gov/dps](http://www.chicago.gov/dps)** for the latest news, updates, and our calendar of events. Go online, [www.chicago.gov/DPS](http://www.chicago.gov/DPS) and click on the letter icon and sign-up for our **Email Newsletter: DPS Alerts** full of news that you can use.

**Follow us on social media to stay informed:**

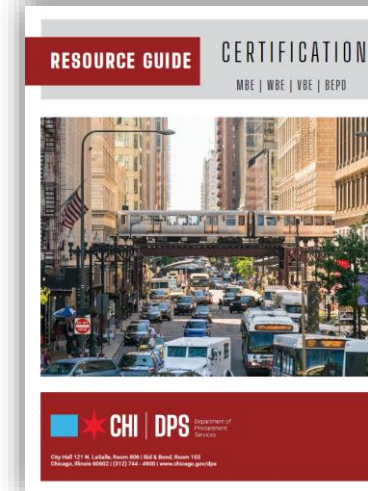
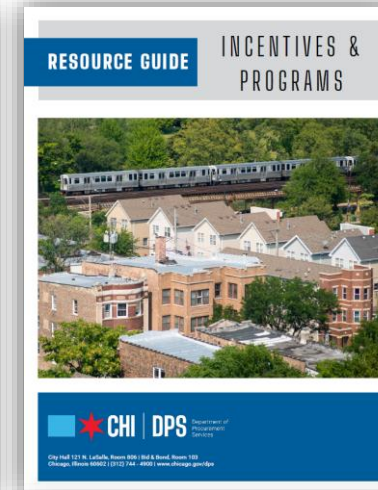
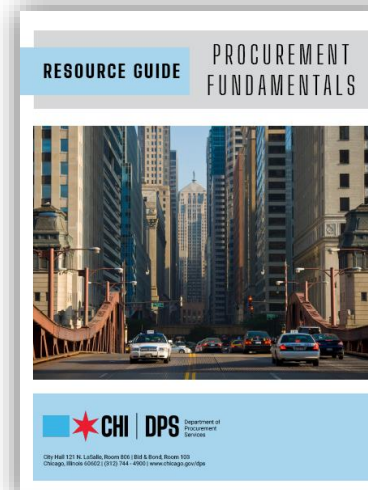
- **Facebook:** [www.facebook.com/ChicagoDPS](http://www.facebook.com/ChicagoDPS)
  - **Twitter:** [www.twitter.com/ChicagoDPS](http://www.twitter.com/ChicagoDPS)
  - **LinkedIn:** [www.linkedin.com/company/chicagodps](http://www.linkedin.com/company/chicagodps)
  - **Youtube:** [www.YouTube.com/ChicagoDPS](http://www.YouTube.com/ChicagoDPS)
- 
- NOTE: Legal advertisements for the City of Chicago Department of Procurement Services (DPS) appear in the Chicago Tribune. Information about DPS contracting opportunities will be available at [www.chicago.gov/bids](http://www.chicago.gov/bids).

# Welcome



## RESOURCE GUIDES

- DPS has published a four-volume set of Resource Guides, expanding on the guiding principle of transparency.
- The Resource Guides were divided into key areas of the procurement process:
  - Contract Administration
  - Incentives and Programs
  - Certification
  - Compliance
- Download now at [www.chicago.gov/dpsguides](http://www.chicago.gov/dpsguides)



# Today's Workshop

- Everyone is muted upon entry for the presentation portion of the workshop
- We ask that you hold your questions to the end of the presentation. You can use the chat feature to type out your question and the speaker will answer the questions at the end of the presentation.
- To Send a Question: **Use only the Q & A panel to ask your question. Do not use the chat panel**
  - Use the **Q & A panel** on the right side of your screen.
  - In the Send to or To drop-down list, select the recipient of the message.
  - Enter your message in the chat text box, then press Enter on your keyboard.

Note: If you join a meeting, session, or event in progress, you can see only the Q & A that participants send after you join.



# HOW TO BECOME CERTIFIED

Today's Workshop | Presented by: Cordell McGary

- Benefits of Certification
- Who Qualifies for Certification
- Certification Requirements
- The Application Process
- Required Information/Documents
- After Applications are Submitted

**OUR  
GOALS AT  
A GLANCE**

# DEPARTMENT OVERVIEW

DPS is the contracting authority for the procurement of goods and services for the City of Chicago. We work together as a team and with our customers to guarantee an open, fair, and timely process by establishing, communicating and enforcing superior business practices.

- MBE – Minority-Owned Business Enterprise
- WBE – Women Owned Business Enterprise
- VBE – Veteran-Owned Business Enterprise
- BEPD – Business Enterprise for People with Disabilities
- DBE – Disadvantaged Business Enterprise
- ACDBE – Airport Concessions Disadvantaged Business Enterprise

# City of Chicago Certification Programs



# Benefits of Certification

# The Benefits

- Provides visibility – Once Certified your firm is listed in a directory which is accessible to the general public and all Prime Contractors.
- There are minority, women, veteran and disadvantaged business participation goals on City of Chicago projects and sister agencies.
- There are businesses in the private sector that seek out certified firms for products and/or services.



- The City of Chicago has a Target Market program which provides exclusive bidding to certified minority and women owned business enterprises. This allows certified businesses to take 100% of the contract because there are no subcontractor goals associated with the project.

## The Benefits

# Qualifying Groups

- African Americans
- Hispanic
- Asian
- Asian-Indian
- Women
- Veterans
- Persons with Disabilities
- Other Individuals who can prove social and economic disadvantages



## VBE – Veteran-Owned Business Enterprise

“Veteran” means a person who has served in the United States armed forces and was discharged or separated under honorable conditions.

- DD214 or DD215 needed as supporting evidence. (Required)
- If vendor does not have their DD214 or DD215, the applicant should contact the Veterans Administration (VA).

# Veteran- Owned Business Enterprises

# Certification Requirements



# What's Required

- Local Business: principal place of business should be in the counties of Cook, DuPage, Kane, Lake, McHenry or Will (Applies to MBE/WBE/VBE/BEPD)
- DBE/ACDBE – Can be located anywhere in Illinois
- Must be 51% owned, controlled, and managed by a minority, woman, veteran and/or person(s) with a disability. For DBE/ACDBE, owner must be socially or economically disadvantaged individuals

## Business Size Standard

- MBE/WBE/VBE: Gross Receipts must not exceed \$41,070,574.08 averaged over 3 years for non-construction firms. Construction firms are subject to SBA size standards averaged over 7 years.
- DBE: Gross Receipts subject to SBA size standards averaged over 3 years not to exceed \$28.48M.
- ACDBE: Not to exceed \$56.42M averaged over 3 years for most firms – some exceptions do exist.

# What's Required



# What's Required

## **Personal Net Worth Standard**

- **MBE/WBE/VBE:** The threshold only applies to construction companies. The PNW is currently \$2,379,729. This is evaluated annually by the City of Chicago.
- **DBE/ACDBE:** The threshold applies to all people seeking certification and is currently at \$1,320,000. This is adjusted periodically by the U.S. Department of Transportation.
- The calculation of personal net worth excludes the value of your primary residence and interest in certified firm.

- Sole Proprietor – Typically owned by only one person, has no legal existence apart from the person him/herself
  - Owner must submit Assumed Name Certificate if operating in name other than owner
- General Partnership – Two or more people go into business together without any formalities
  - Partnership Agreement required

## Business Formations that Qualify

# Business Formations that Qualify

## Corporations

- A corporation is treated as an entity that is completely separate from its shareholders. It allows others to invest in the business without being liable for the debts of that business.
- The firm must be in Good Standing with the State
- Must have Articles of Incorporation
- Must have a Certificate of Incorporation
- Must have By-laws of Corporation
- Must have copies of all stock certificates (front/back)
- Must have Meeting Minutes

## Limited Partnership

- The limited partners are more like stakeholders in a corporation. They are not liable for the debts beyond their own ownership.
- Assumed Name Certification or Certificate of Limited Partnership

## Limited Liability Company (LLC)

- Partnerships that have a Managing Member/Partner
- Must have an Operating Agreement
- Must have Articles of Organization

**Business  
Formations  
that  
Qualify**



# Suppliers Distributors Brokers

## Suppliers

- A supplier must be a regular dealer which is a firm that owns, operates or maintains a store, warehouse or other establishment in which materials, supplies, articles or equipment are bought, kept in stock and regularly sold or leased to the public in the usual course of business.

21

## Distributors

- Firms operating as a Distributor are identified as having a direct relationship with a manufacturer to distribute its goods and products within a specified territory, or region. The goods and/or products are not available or sold to the general public.

## Brokers

- Firms acting as a Broker are not eligible for certification as a MBE/WBE/VBE/BEPC but can be eligible for certification as a DBE.
- A person or entity that fills orders by purchasing or receiving supplies from a third-party supplier rather than out of its own existing inventory and provides no substantial service other than acting as a conduit between his or her supplier and his or her customer is considered a broker.

**Suppliers  
Distributors  
Brokers**



# Online Application Process

# The Process Online

**Submit applications online at:**  
**[www.Chicago.mwdbe.com](http://www.Chicago.mwdbe.com)**

24

- The Application Fee is \$250.  
(No Fee for DBE/ACDBE or BEPD)

## **After Submission**

- You will receive an emailed invoice.  
We will not review your application until you pay the \$250 application fee.
- You can pay the \$250 at any of the City's Payment Centers. You must bring the invoice when paying at the payment centers.

**\* 2<sup>nd</sup> page of invoice has website address to make an online payment.**



- Contact Information
- Type of Certification You Are Seeking
  - MBE/WBE/VBE/BEPD/DBE/ACDBE
  - BEPD requires Schedule G Form
  - VBE requires DD214 or DD215
- Ownership Information
- Employee Information
- Facility Information
- Financial Information
- Licenses (for applicant and business)

# Information Needed

# Information Needed

## Proof of Eligibility Documents

- Resume(s)
- Evidence of Executed Contracts and/or invoices
- Driver's License and Birth Certificate or Passport
- Proof of Equity Contribution
- Business Bank Account Signatory Card
- Organization Chart
- Equipment List
- Loan Information

## Financial Documents

- Three years of Federal Business Tax Returns-  
Local Program
  - **Seven Years for Construction Firms**
- Five years of Federal Business Tax Returns  
Federal Program
  - **Five years of Federal Individual Tax  
Returns**
- W-2s/1099s
- Personal Net Worth Statements (construction  
firms, all new DBE/ACDBE)

**Information  
Needed**

# After Applications are Submitted

- The process can take approximately 90 days from the day we receive “all” documents.
- Your application is checked to make sure we have all documentation
- Documents are thoroughly audited.
- You may receive a site visit. All construction, supplier, and distributors will receive a site-visit.



- All Vendors must submit an Annual “No Change Affidavit.”

You must notify the Certification Division of the Department of Procurement Services regarding organization changes, business name changes, and ownership changes within 10 business days of the change.

## Maintaining Certification

# Maintaining Certification

## Expansion of Services:

- Submit your request in writing.
- Include the added category NAICS code(s).
- You must include:
  - Required Licenses
  - Copies of past or present contracts
  - Any needed insurance
  - Current resume



## Top 10 Reasons Applications are Denied

1. Unsubstantiated or questionable ownership/control.
2. Unclear description of critical functions and who is responsible.
3. Company cannot substantiate where and/or how start-up funds/expansion capital was initiated.
4. Outside secondary employment takes the majority of the MBE/WBE/VBE/BEPD/DBE Enterprise's time each day.
5. The company is not located in one of the six county regions (MBE/WBE/VBE/BEPD).
6. Point of Contact did not respond to requests for information in a timely manner.
7. Inconsistencies with the Applicant firm name among various documents.
8. Problems with contracts: missing, incomplete, not signed & executed by qualifying owners, or have no corresponding proof of payments.
9. Required documents are not attached or no explanation is given as to why the documents are not available.
10. Three/Seven years of tax returns were not submitted (signed) as required.



**What you  
Need  
To Know**

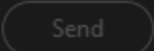
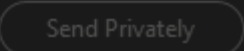


▼ Q & A  

All (0)

---

Select a question and then type your answer here.  
There's a 512-character limit.

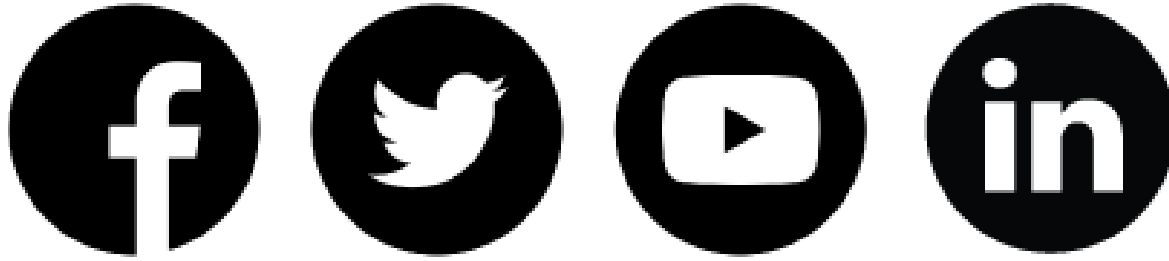
 



# QUESTIONS?

Do you have a question? Please use the WebEx Q&A feature as shown.





**@CHICAGODPS**

Did you find this workshop helpful? Share it on social media using **#DPSWorkshops** and spread the word to help the City business community learn about the programs and initiatives available at the City of Chicago.

**FOLLOW US ON  
SOCIAL MEDIA**