

# DPS WORKSHOP



Becoming Certified with the City of Chicago

# Department Overview

Department of Procurement Services 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.

# City of Chicago Certification Programs

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

# MBE/WBE/BEPCD Certification

## What We Do:

- DPS is committed to providing information, resources and tools to assist you in your efforts to compete for City of Chicago contracting opportunities.
- We accept and review:
  - New Applications for certification
  - Annual “No Change Affidavits”
  - Recertification applications every 5 years

# MBE/WBE/BEPC Certification

- What We Do:
  - Contract Compliance with negotiated contractual M/W/V/DBE participation goals
  - Set standards for contract participation for M/W/BEPC and VBE's as well as DBE and ACDBEs
  - Assist vendors through our websites
    - [www.cityofchicago.org/procurement](http://www.cityofchicago.org/procurement)
    - [chicago.mwdbe.com](http://chicago.mwdbe.com)

# Benefits of Certification

- Provides visibility - once certified your firm is listed in a directory which is accessible to the general public.
- 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.

# Benefits of Certification

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.

# Do You Qualify?

- Qualifying Groups:
  - African-American
  - Hispanic
  - Asian
  - Native American\*
  - Women
  - Veteran
  - Persons with Disabilities
  - Other individuals who can prove social and economic disadvantage



# Veteran-owned Business Enterprise

VBE – Veteran-owned Business Enterprise

“VETERAN” means a person who has served in the United States armed forces and was discharged or separated under not dishonorable conditions.

Applicant must provide:

- DD214 and/or DD215 needed as supporting evidentiary documentation (required).
- If vendor does not have their DD214 and/or DD215, the applicant should contact the Veterans Administration (VA)

# Certification Requirements

- Local Business: principal place of business and majority of full-time work force located in the counties of Cook, DuPage, Kane, Lake, McHenry or Will (Applies to MBE/WBE/VBE/BEPC)
- DBE/ACDBE – Anywhere in Illinois
- 51% owned, controlled and managed by a minority, woman, \*veteran and/or person(s) with a disability or for DBE/ACDBE, socially or economically disadvantaged individuals

# Certification Requirements

## Business Size Standard

- MBE/WBE/VBE: Gross receipts must not exceed \$38.9M averaged over 3 years for non-construction firms. Construction firms subject to SBA size standards averaged over 5 years.
- DBE: Gross Receipts subject to SBA size standards averaged over 3 years not to exceed \$23.98M.
- ACDBE: not to exceed \$56.42M averaged over 3 years for most firms – some exceptions do exist.

# Certification Requirements

## Personal Net Worth Standard

- MBE/WBE/VBE: The threshold only applies to construction companies and it is currently at \$2,276,550. 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.

# Businesses that Qualify

- **Sole Proprietor** – Typically owned by only one person, has no legal existence apart from the person him/herself
  - 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

# Businesses that Qualify

- **Corporation** – A corporation is treated as an entity completely separate from its shareholders. It allows others to invest in the business without being liable for the debts of that business.
  - Is the firm in good standing with the State?
  - Articles of incorporation
  - Certificate of incorporation
  - By-laws of corporation
  - Copies of all stock certificates issued (front & back)
  - Meeting Minutes

# Businesses that Qualify

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

# Ownership

**Limited Liability Company (LLC) – Partnerships**  
that  
have a Managing Member/Partner.

- Operating Agreement
- Articles of Organization



# 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.

# 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 an 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.

# Online Application Process

- **Submit applications** online at [www.Chicago.mwdbe.com](http://www.Chicago.mwdbe.com)
- Application Fee is \$250.00 (**No Fee for DBE/ACDBE**).
- Upon submission of application 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. We only accept Certified Checks, Cashier's Check or Money Orders. (Credit/Debit cards are accepted)

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

# Information Needed

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

# Proof of Eligibility Documents

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

# Financial Documents

- Three years of Federal Business Tax Returns
  - 5 years for Construction firms
- Three years of Federal Individual Tax Returns
  - 5 years for Construction firms
- 4506-T
- W2s/1099s
- Personal Net Worth Statements (construction firms, all new DBE/ACDBE)

# What's Next?

## 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.
- If approved (MBE/WBE/VBE/BEPCD), your certification is valid for five years.



# Expedited Process

## Recognition of Outside Certifications

- The Chicago Minority Supplier Development Council, Inc. (CMSDC) 105 West Adams
- The Women and Business Development Center (WBDC) 8 South Michigan
  - This is an abbreviated application that may require less documentation

# Maintaining Certification

- All vendors must submit an Annual “No Change Affidavit.”
  - You must notify the Certification & Compliance Division regarding organizational changes, business name changes, and ownership changes within 10 business days of the change.
- All MBE/WBE/VBE/BEPCD vendors must “recertify” every five years.

# Expansion of Services

- Submit your request on company letterhead
- Include added categories from the North American Industry Classification System codes (NAICS)
- Include
  - Required licenses
  - Copies of future or present contracts
  - Any needed insurance
  - Current resume

# Sister Agencies

Agency	Procurement/Purchasing Contact Number
Chicago Public Schools	773-553-2280
Cook County	312-603-5370
Chicago Park District	312-742-7529
Public Building Commission	312-744-3090
Chicago Housing Authority	312-742-5862
Chicago Transit Authority	312-664-7200
City Colleges	312-553-2510
Metropolitan Pier Exhibition Authority (MPEA)	312-791-7500
Metropolitan Water Reclamation District	312-751-6600

# 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/Five years of tax returns were not submitted (signed) as required.

# TRAINING • OUTREACH • COMMUNICATIONS

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[www.youtube.com/ChicagoDPS](https://www.youtube.com/ChicagoDPS)



[www.cityofchicago.org/dps](https://www.cityofchicago.org/dps)



2019 WORKSHOP SCHEDULE  
[WWW.CITYOFCHICAGO.ORG/D](https://www.cityofchicago.org/dps)

Note: All bid advertisements, addenda, upcoming workshops, events, new policies, and procedures that affect vendor community.



**Questions?**

# Thank You for Attending...



FAIRNESS • TRANSPARENCY • DIVERSITY • INCLUSION

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121 North LaSalle, City Hall Room 806, Chicago, IL  
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City Hall Bid & Bond Room 103 • 11th Floor Room 1103

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