

HEOC Ferry Project SBE Certification Guidance

INTRODUCTION

Those Suppliers participating in the WSF HEOC Ferry project as SBEs must meet the definition of a Washington in-state Small Business per RCW 39.26.010 AND register/certify with WA State in at least one of two ways: (1) OMWBE Certification under Chapter 39.19 RCW (preferred by Vigor), and/or (2) Department of Enterprise Services (DES) WEBS Certification. Either certification type is acceptable for the purpose of achieving SBE participation in the HEOC Ferry project.

Small Business Defined – A Washington in-state business, including a sole proprietorship, corporation, partnership, or other legal entity, that:

Certifies, under penalty of perjury, that it is owned and operated independently from all other businesses and has either:

- Fifty (50) or fewer employees; or
- A gross revenue of less than seven million dollars (\$7,000,000) annually as reported on its federal income tax return or its return filed with the department of revenue over the previous three (3) consecutive years; or
- Is certified with the Washington State Office of Minority and Women’s Business Enterprises (OMWBE) under Chapter 39.19 RCW.

Project legislation for the HEOC Vessels requires participation by SBEs with a principal office in Washington State (see RCW 47.60.835). The in-state requirement is an element of the DES statutory definition of an SBE (see RCW 39.26.010).

OMWBE certifies SBEs (and other categories) on a broad scale, to include SBEs that are based inside Washington State and SBEs that may be based in other states. As such, for the HEOC Vessels, any search of the OMWBE database for SBE firms must be further refined to review only SBEs with a principal office in Washington State, in order to be compliant with the project legislation for the HEOC Vessels.

Vigor reserves the right to request evidence from Suppliers of OMWBE or DES SBE certifications, as well as principal office location in Washington State, during the evaluation of solicitations and throughout the period of performance of any subcontract.

If Supplier or any of its sub-tier suppliers are participating as SBEs under a Vigor Purchase Order for the WSF HEOC Class project and are providing SBE credits for the project per RCW 47.60, Supplier will be expected to comply with Exhibit 12 of the prime contract, which can be accessed via the following link:

<https://vigor.net/wsf-supplier-flow-down-resources>

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REQUIREMENTS TO BE CERTIFIED AS AN SBE BY OMWBE

The state of Washington, due to I-200, is unable to require businesses owned and controlled by women and minorities be given preferential treatment on contracts for state projects, including Washington state ferry design and construction. In lieu of this, the state has created the SBE program, which allows all small business owners regardless of race or gender to become certified through the Office of Women and Minority Business Enterprises (OMWBE) and compete as Small Business Enterprises or SBEs. The program is administered similarly to the federal DBE (Disadvantaged Business Enterprise) Program, but is race and gender neutral. The rules for the SBE program are developed and enforced by WSDOT Office of Employment Opportunity (OEO) and generally follow the DBE requirements. Note that DBEs possessing an OMWBE certification are eligible to participate in the SBE program for the HEOC Ferry project.

The requirements for becoming an OMWBE certified SBE are exactly the same as those needed to be a DBE with the following additional requirements:

1. The firm must be an in-state business per RCW 39.26.010 (13) with "In-state business" meaning a business that has its principal office located in Washington State (see **"INTRODUCTION"** above).
2. To receive an SBE designation, OMWBE requires that the business be small and economically disadvantaged. Federal and state law define "small" and economically disadvantaged using the criteria below:
 - a) Net worth of the business owner must be under **\$1.32 million**, not including business assets and primary residence – tax returns are required and notarized documentation necessary
 - b) **No more than \$26.29 million in annual gross receipts** in each of the previous 3 consecutive years.
 - c) Ownership, control, and independence; the eligible owner(s) must:
 - Own at least 51% of the business based on start-up costs (51% of the multiple owners must meet the net worth threshold).
 - Have experience directly related to the operations of the business (i.e. -- an electrician cannot be a bricklayer unless he/she has bricklaying experience).
 - Control the managerial and day-to-day operations and have the power to make independent decisions (again, 51% of multiple SBE eligible owners must control the business).
 - The business must be able to independently perform the work to fulfill a contract.
 - The business must be owned by a person who is either a US Citizen or permanent resident.

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HOW TO BECOME AN OMWBE CERTIFIED SBE

Recently, the Office of Minority and Women’s Business Enterprise (OMWBE) went to a fully online system for certification, meaning all documents must be submitted electronically. Steps to become an SBE:

- 1) Go to the Office of Minority and Women’s Business Enterprise website:

OMWBE certification may be accessed at the link given below:

<https://omwbe.wa.gov/certification>

- 2) The link above sends you to the Certification Page. Scroll down to whatever category applies to your situation. Most in-state businesses will go to “Federal Certification – In-State-Firms.”

NOTE: *At the bottom of the page is a video which is helpful.*

- 3) Under “Federal Certification – In-State-Firms” go to the first paragraph, then click on the link titled “Federal Certification” in the last sentence.
- 4) You will be directed to the Federal Certification page which lists 3 federal certifications (DBE, ACDBE [Airport Concessions Disadvantaged Business Enterprise] and SBE). As you scroll down, there is a listing of criteria for qualification for any of the three categories. It is important to note that OMWBE assigns a North American Industry Classification System (NAICS) code to each business getting certified and the Commercial Useful Function (CUF) of that business is tied to its NAICS category. The NAICS code definition is determined by the experience/skills of the business owner (i.e. - an electrician cannot become a carpenter). The SBE may not count for participation if its work does not fall into the NAICS code provided by OMWBE.
- 5) Go to the bottom of the Federal Certification page and click on “Start Your Federal Certification.”
- 6) The next page is titled “Certification Management System.” You will see a “log in” button in the middle of the page. Do not log in, but instead, go to the left side of the page where you will see the certification box with two options under it. Click on “Apply for or Renew Certification”
- 7) You will now be on a page with two boxes – “New Certification” and “Renew Certification.” Under “New Certification” click on “Create Account.”
- 8) The next page is the start of the actual certification application, which requires a good deal of information from your firm, starting with its Tax ID number. There are four separate boxes to complete on the first page.
- 9) Each subsequent page is accessed by clicking “Next” at the bottom of the page. All information must be uploaded into the application.
- 10) There are Mandatory and Required documents. All the Mandatory Documents must be submitted with the application otherwise the process cannot move forward. The required documents can be submitted after the initial application is sent to OMWBE.

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11) As you go through the application each section is red, but will turn green once the mandatory and required documents are uploaded or questions answered.

12) Listed below are the Mandatory documents:

- Affidavit of Certification(s) signed and notarized for each owner upon which disadvantaged status is relied.
- Personal Net-Worth Statement for each economically-disadvantaged owner comprising 51% or more of the ownership percentage of the applicant firm.
- Personal tax returns. Last three years of filed and signed IRS tax returns, including all pages, statements and schedules.
- Federal tax returns (and requests for extensions) filed by the firm and its affiliates with related schedules, for the past 3 years.
- Proof of citizenship or legal permanent presence.
- Documented proof of contributions used to acquire ownership for each owner (e.g., both sides of cancelled checks).
- List of equipment and/or vehicles owned and leased including VIN numbers, copy of titles, proof of ownership, insurance cards for each vehicle.
- Résumés (that include places of employment with corresponding dates), for all owners, officers, and key personnel of the applicant firm.

MINIMUM TIMEFRAME FOR APPROVAL: 90 Days

FEE: None Required

QUESTIONS: 360-664-9778 (OMWBE main line – 1 hour response during business hours)

REQUIREMENTS TO BE CERTIFIED AS AN SBE VIA DES

The HEOC Ferry project provides an alternate method of SBE Certification through the Department of Enterprise Services (DES).

As a potential additional SBE resource, DES certifies SBEs that have a principal office in Washington State, as required by the DES statutory definition of an SBE (see RCW 39.26.010). Small Businesses that are able to meet at least one of the first two DES criteria shown above under “**INTRODUCTION**” shall certify as an SBE by registering with Washington State’s Electronic Business Solution (WEBS) system and completing a Memorandum of Agreement which sets forth the terms governing SBE participation under WSF’s Part D Contract. WEBS may be accessed at the link given below:

<https://pr-webs-vendor.des.wa.gov/>

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CERTIFICATIONS OFFERED BY OTHER JURISDICTIONS

It is important for Suppliers to understand that there are some businesses that will claim to be SBEs and there are several certifications for SBE businesses, but the only certifications that apply on the HEOC Ferry project are the ones obtained from OMWBE and DES. The only other certification that may count toward SBE participation is the DBE certification, which is specifically tied to race and gender. Note that DBEs possessing an OMWBE certification are eligible to participate in the SBE program for the HEOC Ferry project.

Listed below are other public certifying agencies and their certificate designations:

City of Seattle & Port of Seattle: WMBE (Women and Minority Business Enterprise), no regard to size – Does not qualify as an SBE

King County: SCS (Small Contractors and Suppliers) – Race and gender neutral certification – Does not qualify as an SBE

State: MBE & WBE (Minority and Women-owned Business Enterprise) – State Certifications which does not means the business is an SBE

State: VOB (Veteran Owned Business) – Does not qualify as an SBE

Federal: SDVOB – Service Disabled Veteran Owned Business – Does not qualify as an SBE
The NW Mountain Minority Business Development Supplier Agency has a “Certified Minority Business” designation, which does not apply to the Vigor SBE requirement.