

# **Doing Business with Small and Diverse Businesses in Oregon: Energy Trust of Oregon Supplier Diversity Program**

## **Update: January 2024**

Energy Trust's vision is Clean, Affordable Energy for All. With this vision, Energy Trust works to expand clean energy solutions throughout our service area, and we do this in all aspects of our program design and delivery as well as administrative and operations functions. Service to all means that Energy Trust must be intentional in its outreach to underserved communities and local small and diverse contractors. With regard to its procurement practices, Energy Trust is focused on delivering the benefits of its energy programs to all customers and communities by practicing inclusive and transparent procurement and providing meaningful engagement and opportunity.

## Why and How We Do This Work-Supplier Diversity Program 2024 Update

Since its inception, Energy Trust of Oregon has developed and supported a network of suppliers, industry experts, and service providers through its efforts to advance energy efficiency and small renewable energy systems throughout our service territories. Energy Trust continues its ongoing commitment to enhancing our delivery of services to underserved and underrepresented communities and expanding opportunities for community-based small and diverse businesses. Energy Trust's Supplier Diversity Program is a component of that ongoing commitment.

This revision is our first update to our Supplier Diversity Program (SDP) and prepared in response to organizational and operational feedback; lessons learned; market and community input; data trends; and other internal and external factors that impact the way the program works and can work in the future. The most important driver of this revision is Energy Trust's goal to embrace and engage the communities we serve; not only by delivering the benefits of our energy programs, but also by increasing community involvement and participation in the planning, building, and implementation of them. We have expanded the original program in significant ways by attempting to reach small and diverse firms where they are and to create a prime contracting program intended to award more contracting dollars to small and diverse firms.

In this update, the SDP is revised in important ways:

- Expanding the recognized certifications beyond COBID, with a focus on inclusive sourcing;
- Providing more detail on how the SDP is applicable to prime contracts as well as subcontracts;
- Updating contract amount thresholds and process requirements for SDP compliance;
- Introducing a structured mechanism for making Good Faith Effort determinations in certain situations in the event a prime contractor fails to meet Supplier Diversity Spend Goals;
- Introducing a discretionary Small Business Participation Commitment for contracts between \$100,000 and \$750,000 that have subcontracting possibilities.

This revised SDP is a step towards proactive inclusive sourcing. Whereas our initial approach began with a focus on reaching and contracting with COBID certified suppliers, our revised program seeks to complement that by connecting with and supporting contractors wherever they may be in the process. That is, our original SDP was oriented towards awarding more contracts to COBID certified firms, but adopting an inclusive sourcing approach means proactively assisting small and diverse businesses, especially those in disadvantaged communities, in becoming part of the Energy Trust supply chain and encouraging them to seek state and/or federal certification. To do this, our revised program will augment the formal certifications we will recognize (i.e., state and federal certifications will both count in order to provide multiple pathways to do business with us) and redirects our efforts to help small and diverse businesses in all communities served by Energy Trust, especially disadvantaged communities, in becoming certified. A list of formal certifications that will be recognized for the SDP are contained in **Appendix A** and Glossary provided in **Appendix B**.

We acknowledge that not all small and diverse businesses working or seeking to work with Energy Trust have the time, interest, or resources to become certified by a state or federal

entity; this is particularly true in disadvantaged communities. Guided by this revised SDP, we will start the procurement process by conducting market research and outreach in the communities we seek to serve, providing support to firms that may want to become part of the Energy Trust supply chain, and taking steps to make our procurement process more accessible (e.g, by providing more lead-time and information; adding selection criteria to help small and diverse business compete with better resourced businesses; providing post-award orientations to help businesses navigate Energy Trust processes, etc.).

Finding qualified small and diverse suppliers to take part in a supplier diversity program is simply not enough. A proactive, sustainable, and successful supplier diversity program requires commitment and buy-in from across the organization to engage everyone in our program work. Energy Trust established the SDP to advance non-discriminatory practices, a more inclusive use of small and diverse businesses, and to increase accessibility of contracting opportunities. Since the SDP's first iteration, Energy Trust is committed to and focused on ensuring that all qualified businesses can receive and participate in Energy Trust contracting opportunities, including submitting quotes and proposals at prime levels. Energy Trust looks to its staff and its contracted entities, including its Program Management Contractors (PMCs) and Program Delivery Contractors (PDCs), to identify and attract capable businesses that can effectively provide quality services and facilitate the development of Oregon-based firms in Energy Trust's work.

This revised SDP also expands the program to include explicitly and, in more detail, a prime contracting program in addition to our existing subcontracting program. We focused our initial efforts on making sure that small and diverse contractors were included in our large dollar contracts, especially our PMC/PDC contracts, by requiring at least 20% of prime contract dollars be subcontracted by our primes to COBID certified subcontractors. That Supplier Diversity Spend Goal has been successful, and we are now expanding our efforts to contract directly with small and diverse prime contractors in order to award even more contracting dollars to them as we expand and strengthen our supplier pool.

Implementation of our current program reveals differences between multi-purpose large and complex PMC/PDC contracts that have many opportunities to subcontract versus lower dollar commercial services contracts for which contractors tend to have in-house capabilities to perform the contract work and therefore fewer subcontracting opportunities. To create this new prime program, we have established three main dollar thresholds that trigger specific actions in order to meet our supplier diversity goals. Specifically, we require staff to document their efforts and include certified firms in all competitive actions between \$25,000 and \$100,000; we have established a new category of competitive contracts between \$100,000 and \$750,000 that require several steps to identify and include small and diverse prime contractors in the competitive process with the goal of awarding more commercial services contracts directly to small and diverse primes and adding a new mechanism to encourage subcontracting and teaming when applicable; and lastly we have increased the dollar threshold from \$100,000 to \$750,000 that triggers the Supplier Diversity Spend Goal requiring primes to subcontract at least 20% of the total value of the prime contract to one or more certified subcontractors. This structural change is intended to award more prime contracting dollars to small and diverse firms, while recognizing the differences between commercial services and our unique PMC/PDC contracts.

Our revisions recognize there are market realities in the dynamic energy field that should be taken into consideration as we and our prime contractors work to develop and include more small and diverse (sub)contractors in our work. Our goal is to work with our contracting partners

to help develop a diverse and healthy vendor pool in a continuously evolving and improving program.

## The Revised Program

Energy Trust's goal is to award more contracts to small and diverse businesses, especially those operating and serving the communities that Energy Trust serves. We contract for services such as professional services, purchased supplies and materials, hired labor and/or general management services.<sup>1</sup> Through our Diversity, Equity and Inclusion (DEI) Plan, Energy Trust will establish contracting goals with small and diverse businesses. The goals may be adjusted from year to year and shall be communicated to all contractors through proposal documents and pre-solicitation meetings. The SDP business participation levels are goals, not quotas. The SDP is consistent with federal and state statutory and regulatory provisions and other contractual requirements relating to equal opportunity with supplier diversity. Energy Trust complies with all applicable federal, state, and local laws regarding non-discrimination and will not discriminate in any case against a business based on the owner's race, color, religion, creed, national origin, sex, age familial status, sexual orientation, gender identify, disability, or status as a veteran. In the revised SDP, an expanded set of program certifications beyond COBID certification will be recognized. Such certifications are identified in **Appendix A** (SDP Certifications) and descriptions of each program are provided in **Appendix B** (Glossary).

Note that the SDP only applies to competitive procurements. The dollar value of the requirement will dictate the way in which the SDP works as follows:

### 1. Solicitations between \$25,000 and \$100,000:

Contracts for goods or services with anticipated Energy Trust expenditure of more than \$25,000 to \$100,000, must comply with Energy Trust competitive bid procedures by seeking either oral or written Request for Quotes or Proposals (RFQ or RFP). Under the revised SPD, this solicitation process must include outreach conducted among certified firms and must demonstrate and document that certified firms were included in the competitive process. This new process requires the following steps:

- The buyer shall review, at a minimum, the Oregon Certification Office for Business Inclusion and Diversity (COBID) Directory, the Small Business Administration's (SBA) Dynamic Small Business Search (DSBS), and Energy Trust's Contracts Interest List, to find certified contractors.<sup>2</sup>
- Conduct supplemental outreach (the earlier in the process the better) to notify certified firms of the opportunity to give them an opportunity to submit a quote or proposal before the closing date;

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<sup>1</sup> The SDP does not apply to the following: solicitations for equipment, licenses or supply purchases; IT supplies or services; contracts with a sole source justification including those for space leases or with specific industry organizations like the Northwest Energy Efficiency Alliance; memberships and subscriptions; Energy Trust lender agreements; contracts related to employment or hiring. SPD generally only applies to expenditures of funds (such as contracts), and not receipt of funding (such as from a grant). Nonetheless, the SPD may apply after grant award if we contemplate subcontracting. Consult Legal if you have questions about the applicability of the SDP.

<sup>2</sup> Note that Legal is available to assist you in finding certified firms.

- Solicit at least three firms to satisfy the competition requirement<sup>3</sup>;
- If your search identifies several certified firms, all or the majority of firms you solicit should be certified; by contrast, if your search identified no or limited certified firms, you may solicit as many certified firms as reasonably available);
- The buyer must request that all firms submitting quotes or proposals identify their certification status;
- The buyer shall complete the Quotation Summary Sheet and the Contract Cover Sheet to document the certification status of each contractor that submitted a quote or proposal. In the event the proposed awardee is not formally certified, the buyer shall provide an explanation of the efforts taken to promote the solicitation to certified firms and reasons why a certified firm was not selected for award.<sup>4</sup>

## 2. Solicitations between \$100,000 and \$750,000:

Under Energy Trust's competitive bid processes, large contracts over \$100,000 must be subject to a written and formal competitive process and the solicitation posted on the Energy Trust website. Revisions to the SDP reflect concerns and lessons learned about the interactions between Energy Trust's competitive bid processes and the SDP. As a result, the revised SDP sets out distinct requirements for contracts between \$100,000 and \$750,000, and larger contracts (see #3 below). For contracts between \$100,000 and \$750,000, in addition to the competitive bid processes for large contracts, the revised SDP requires posting on the Energy Trust website for at least 30 days (preferably longer) to allow small and diverse contractors to submit proposals. Additionally, Energy Trust should consider the following steps to increase small and diverse business participation:

- Review the solicitation to remove barriers to participation and competition (e.g., are the solicitation's years of experience necessary to satisfy Energy Trust needs or are there other requirements that inadvertently restrict competition such as brand name requirements?);
- Provide as much notice and lead-time as possible to allow small and diverse contractors time to consider submitting a proposal and/or prepare to do so (e.g., post a forecast on the Energy Trust website that informs contractors that we have an upcoming requirement for services well in advance of posting the solicitation);
- Conduct thorough outreach (e.g., contact Legal to seek assistance in finding certified contractors and in notifying small business assistance resources);
- Add a technical factor as part of the evaluation scheme in the solicitation that assigns more points for certified prime contractors;
- In contracts that have subcontracting possibilities, include a Small Business Participation Commitment to encourage alternative teaming and subcontracting arrangements for prime contractors to include small and diverse contractors and provide additional evaluation points for those firms that do so; and

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<sup>3</sup> As an alternative to soliciting contractors and asking them to submit quotes, you may consider using a prescribed application that lists the information you need that contractors may simply fill out and submit. Contact Legal if you want more information on this method.

<sup>4</sup> Only contracts with for-profit businesses that are certified with the certifications identified on Energy Trust's expanded list of formal certifications in **Appendix A** (SDP Certifications) will count towards and be reported against our supplier diversity goals.

- Conduct a virtual informational session (pre-bid conference) soon as the solicitation is posted that allows contractors an opportunity to ask questions about the solicitation's requirements.

### **3. Solicitations over \$750,000:**

For competitive solicitations for contracts that are expected to exceed \$750,000, the SDP calls for solicitations include a Supplier Diversity Spend Goal requiring at least twenty percent (20%) of the total value of the contract (not including incentive or other pass-through reimbursable expenses or costs, if applicable) will be subcontracted to one or more formally certified firms with any of the SDP Certifications. Proposals must clearly demonstrate the roles and responsibilities of the subcontractors in delivering the services requested by the solicitation and include a budget proposal that meets the required Supplier Diversity Spend Goal. Proposals may be disqualified at the discretion of Energy Trust for failure by the prime contractor to express a commitment to small and diverse businesses or a demonstrated record of past failures to meet contractual requirements to meet or exceed Energy Trust's goals.

All prime contractors must include in their proposals appropriate certification(s) data for each subcontractor. Only subcontractors that are certified as of the closing date for receipt of Request for Proposals will count towards the Supplier Diversity Spend Goal.<sup>5</sup> All certified subcontractors are expected to remain in good standing with their formal certification throughout the course of the contract.

Solicitations for contracts expected to exceed \$750,000 must include a subcontracting plan. When submitting their proposal, each potential prime contractor shall propose a dollar value and percentage of the total value of the contract for subcontracting to one or more certified small and diverse subcontractors. The source selection evaluation team will evaluate the subcontracting plan as part of its technical evaluation. The subcontracting plan will become part of the contract terms upon award of the contract.

Every competitive solicitation will include a review committee to, among other things, review the roles and responsibilities of certified subcontractors in each proposal; ensure that at least 20% of the value of the contract is going to one or more certified firm(s); and make a recommendation for award of the prime contract to the Executive Director and the Energy Trust Board. Such review committees shall include a "diversity champion" who might be recruited from the internal DEI Committee, the Diversity Advisory Council or other external sources of DEI expertise.

## **Reporting and Remedies**

To implement the SDP, Energy Trust will track and count contract awards over \$25,000 to small and diverse prime contractors and subcontractors. To receive credit as a small or diverse (sub)contractor, for-profit businesses must be formally certified by Oregon state or the federal

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<sup>5</sup> Prime contractors will be provided a grace period for subcontractors who have pending applications at COBID or SBA, so that they may propose subcontractors with pending applications as of the closing date for the solicitation. Nonetheless, as of the date of the award, all certifications must be final to count towards the minimum Supplier Diversity Spend Goal.

Small Business Administration. Small and diverse businesses are defined according to the regulations by the recognized certifying entity. Energy Trust is not a certification agency and will defer to the certification process followed by the entity that issues certifications and monitors certification status. Businesses that are not certified by a state or federal agency are encouraged to do so. Local certified businesses in our service area that provide goods and services meet our needs should be prioritized.

To measure compliance with its Supplier Diversity Spend Goal after the contract is awarded, prime contractors on contracts over \$750,000 will be required to meet the “good faith effort” standard. Good faith effort requires prime contractors to demonstrate that they have made diligent efforts to identify and subcontract with small and diverse subcontractors. The prime contract will be monitored continuously over the period of contract performance in the Tracker. In the event the prime contractor is falling below or has failed to meet its contractual Supplier Diversity Spend Goal, the prime contractor will be required to explain its failure to meet contractual requirements and document its efforts to subcontract with small and diverse subcontractors. If, in the discretion of the program and in consultation with Legal (contract manager), the prime contractor’s explanation is determined to be reasonable, negative contract remedies may be suspended (e.g., retainages may be released).

Energy Trust will consider several factors in determining whether a prime contractor has made a good faith effort to comply with its Supplier Diversity Spend Goal including, but not limited to, the following:

- Has the prime contractor identified a subcontracts manager responsible for performing outreach and monitoring subcontracts?;
- Does the prime contractor conduct outreach and other events to identify small and diverse subcontractors?;
- Does the prime contractor work with the Oregon Certification Office for Business Inclusion and Diversity, the Oregon Government Contracting Assistance Program (GCAP), the Portland Small Business Administration (SBA), and other local small business support agencies?;
- How significant is the gap between the goal and the prime’s accomplishments?;
- Does the prime contractor identify the cause of the failure and have a plan to remedy it?;
- Has the prime contractor worked with existing small and diverse subcontractors to ensure they remain certified and/or address performance issues?;
- Does the prime contractor revise its solicitation requirements to provide more opportunities to small and diverse business or otherwise make requirements more accessible to remove barriers (such as providing more lead-time, advertising opportunities on its website or via small business resources, etc.).

## **Energy Trust-Wide Supplier Diversity Commitment:**

Like any business strategy, supplier diversity only becomes a reality when it is ingrained in the organization’s day-to-day systems and the minds of staff. Making sure staff are fully trained in supplier diversity and the supplier diversity tracking system is an absolute must. Capability in manipulating and extracting data from the Supplier Diversity Tracking system not only improves the overall procurement function, it also makes supplier diversity more manageable by helping track and analyze data for reporting.

A significant factor for a supplier diversity program's success is removing obstacles standing in the way of our diversity goals. By sharing the details of what goods and services our organization needs, we can help small and diverse businesses and in turn they can help us engage more effectively with them and our customers. For example, most companies or agencies with SDPs have websites with comprehensive SDP information on how to do business with them. Above all, we must continually stay informed about supplier diversity trends and requirements, including those trends and requirements as reflected in federal and state contracting programs.

Procurement activities of any size or type of service shall be considered with respect to the SDP. It is incumbent upon all staff to ensure that all contract opportunities are promoted to small and diverse businesses and that they are encouraged to respond to competitive solicitations. The COBID and/or DSBS database; membership organizations such as the National Association of Minority Contractors of Oregon (NAMC-Oregon), the Professional Business Development Group (PBDG) and LatinoBuilt and our DEI Services Team are excellent resources for certified and diverse firms. Energy Trust's SDP goals will be based on total annual contracting and, therefore, all procurement at all dollar values should strive to support small and diverse firms.

### **Intersections with other Diversity, Equity and Inclusion Efforts:**

Energy Trust's diversity, equity and inclusion efforts extend well beyond the supplier diversity initiative into all aspects of the organization. The SDP needs to recognize the intersections among these various efforts and work to maximize the impacts of all of them. Some related efforts include our work with community-based organizations (CBOs) and trade allies.

As we manage our Supplier Diversity Program (SDP), it is paramount that we help cultivate a wide array of small and diverse suppliers and contractors from around the state and Energy Trust service territories. Not only does working with these firms improve our ability to better serve customers who Energy Trust has historically underserved, but they also contribute to our funding through their energy consumption and should have meaningful opportunities to contract with us. These efforts also include other ways of reaching communities such as helping to develop Trade Ally Workshops, encouraging joint venture partnering opportunities and collaborating with our utility funders and CBOs and NPOs to engage in outreach events. With our ever-growing projects reaching deeper into rural parts of the state and tribal communities, the ability to widen our potential supplier pool is a given. This, in turn, will promote competition in the supply base chain of small and diverse contractors, improve product quality and reduce costs. Adding diversity to our supplier base helps businesses weather unanticipated events that impact the supply chain and other economic downturns. Providing contracting opportunities for small and diverse suppliers and contractors is not only crucial to Oregon's economy and the livelihoods of Energy Trust customers, but it also supports ratepayers' quality of life.

### **Ongoing Commitment to Support Small and Diverse Firms:**

As part of an established SDP, we must continually monitor and improve it each year. Annual audits will help us verify that activities and results align with our policies and annual DEI goals. Feedback from internal stakeholders, the small and diverse business community, the OPUC and our utility partners is vital to ensure that our SDP exceeds everyone's expectations. Highlighting program success stories is a way to maintain momentum and pride in what we do.



A dedicated space on our website is a great way to draw attention to diverse firms and pay honor to all who have dedicated themselves to the success of our program.

Our ongoing commitment should include a willingness to engage respectfully and productively with small and diverse firms, CBOs and trade allies<sup>6</sup> in order to deepen our mutual understanding and to develop larger, more diverse pools of potential resources.

The following guidance should be considered whenever building these relationships:

**Seek inclusive relationships based on diversity.** Make a list of potential firms and organizations you think would benefit from what you are trying to accomplish and keep these firms in mind as you proceed. Seek and establish relationships and contracts with a cross-section of the community and ensure that the firms engaged have prior experience in working with the community you are working to serve.

**Don't wait for all relationships to get on board prior to moving your plans forward.** Most relationships expand over time; don't lose momentum waiting on others.

**Secure commitments to collaborate – don't leave it to chance.** Ask those firms and organizations you engage with to designate specific individuals with a well-known reputation in the community and assign responsibilities in writing. Take an assessment of what each organization brings to the table. When everyone better understands their role, they are more likely to develop effective and inclusive plans that support your goals.

**Seek input by collaborating to create a shared vision and/or goals.** Give firms and organizations an opportunity to help develop and shape your vision and goals, rather than rubber-stamping them. If DEI training is needed to fully understand how to best engage organizations, then seek out a DEI consultant of color who can provide this type of expertise.

**Engage in collaborative decision-making, if appropriate.** If there are other entities who have already blazed the trail you are about to embark on, then consider working with and learning from them. If there are others at the same stage as you, then consider an opportunity to collaborate and blaze the trail together. Come to agreement on your respective roles to help minimize disagreements later. This builds a feeling of ownership and empowerment among all parties involved.

**Use members of our advisory councils and DEI Committee to focus on areas of specialty.** Conduct cross-learning exercises through workshops or meetings to enhance your efforts or consider recruiting these members to work directly with you.

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<sup>6</sup> Energy Trust has developed an extensive network of trade allies among the construction trades who support customers as they adopt clean energy solutions. These trade allies work with us to become familiar with our incentives, program processes and measure requirements to support their customers. While trade allies have an important intersection with the objectives of the SDP, we do not directly contract with them to provide specific services. Therefore trade allies are not currently covered by the SDP and we have not established separate goals for increasing the diversity of the Trade Ally Network. Note that because of their knowledge and relationships with their small and diverse client base, membership organizations such as the National Association of Minority Contractors of Oregon (NAMC-Oregon), the Professional Business Development Group (PBDG) and LatinoBuilt are important partners in increasing the diversity of the Trade Ally Network by connecting us with various certified firms.

**Develop shared measurable goals and communicate your progress regularly.** Make sure information about your effort's successes and failures are readily available to all parties involved. Transparency is paramount, which is why Energy Trust will continue publishing and reporting progress on our supplier diversity goals and efforts.

**Listen and be responsive to key stakeholders in your community.** It's important to understand the issues and concerns of those you are working with or trying to serve. Don't, however, try to be all things to all people. It's okay to find those intersections where Energy Trust's purpose supports specific issues.

**Don't hesitate to think BIG and make bold decisions in order to move the ball forward.** Positive momentum is always a good predictor of success. As Newton's First Law of Motion (the law of inertia) states, an object at rest tends to stay at rest, while an object in motion tends to stay in motion.

**Finally, attend meetings and network.** Meetings with relevant organizations generally occur at least once per month and will help you gain a deeper perspective on how to engage with the small and diverse business community.

## **APPENDIX A: Certifications**

A small and/or diverse business is a business that is formally certified by the state of Oregon's Certification Office for Business Inclusion and Diversity (COBID) and/or the federal Small Business Administration (SBA). The following is the list of state and federal certifications that count under the revised SDP and the chart on the next page provides the detailed eligibility factors:

### **Oregon State certifications (issued by Certification Office for Business Inclusion and Diversity):**

- Minority Business Enterprise (MBE)
- Women Business Enterprise (WBE)
- Veteran Business Enterprise (VBE)
- Service-Disabled Veteran Business Enterprise (SDVBE)
- Emerging Small Business (ESB)

### **Federal socioeconomic program certifications (formal certifications are issued via the Small Business Administration, while SDB offers a self-certification pathway):**

- Small Disadvantaged Business (SDB)
- Women Owned Small Business (WOSB)
- Economically Disadvantaged Women Owned Small Business (EDWOSB)
- 8(a) Business Development Program (8a)
- Veteran Owned Small Business (VOSB)
- Service Disabled Veteran Owned Small Business (SDVOSB)
- Historically Underutilized Business Zone certification (HUBZone)

The Business...	Oregon M/WBE	Oregon VBE & SDVBE	Oregon ESB	SBA 8(a)	SBA SDB (note that self-cert is also available in sam.gov)	SBA WOSB & EDWOSB	SBA VOSB & SDVOSB	HUBZone
is registered with OR SOS	X	X	X					
is an Oregon business			X					
has 3-year average gross annual receipts of  (ESB Tier programs are max of 6 yrs each)  8(a) program is 9 years	≤\$26.29M	≤\$26.29M	Const: Tier 1 ≤ \$1.9M/Tier 2 ≤ \$3.9M Svc/Supp: Tier 1 ≤ \$789K/Tier 2 ≤ \$1.3M	Have a personal net worth of \$850 thousand or less, adjusted gross income of \$400 thousand or less, and assets totaling \$6.5 million or less		Income limits if EDWOSB (net worth under \$750k)		
number of employees			Tier 1 ≤ 19 employees Tier 2 ≤ 29 employees	X  (must be small IAW NAICS)	X  (must be small IAW NAICS)	X  (must be small IAW NAICS)	X  (must be small IAW NAICS)	X  (must be small IAW NAICS and 35% of employees must live in HUBZ)
is 'for profit'	X	X	X	X	X	X	X	X
is a U.S. Citizen or perm resident	X	X	X	X	X	X	X	X
is a minority	X (MBE)			X  (must demo social/econ disadv)	X  (must demo social/econ disadv)			
is a woman	X (WBE)					X		
is a veteran		X (currently only SDV)					X	
owns and controls ≥ 51% of company	X	X		X	X	X	X	X
controls and manages day-to-day operations	X	X	X	X				
made capital contribution	X	X						
has proper professional license(s)	X	X	X	X (must have been in business at least 2 yrs)				
Primary place of business is located in a HUBZONE (includes Indian land)								X

## APPENDIX B: Glossary

**8(a) Business Development program (8a):** is a federal certification program managed by the Small Business Administration. The developmental program for for-profit small businesses provides managerial, technical, and contractual assistance to Small Disadvantaged Businesses to ready the firm and its owners for success in the private industry. Eligibility of the 8(a) program relies in part on criteria for Small Disadvantaged Businesses but has additional requirements related to the business itself. Firms remain in the program for no longer than 9 years before graduating.

**Economically Disadvantaged Women-Owned Small Business program (EDWOSB):** is a federal certification program managed by the Small Business Administration. To qualify as an EDWOSB within the program, a small business (for profit) must meet all the requirements of the WOSB program and be owned and controlled by one or more women, each with a personal net worth less than \$850,000; be owned and controlled by one or more women, each with \$450,000 or less in adjusted gross income averaged over the previous three years; and be owned and controlled by one or more women, each \$6.5 million or less in personal assets.

**Emerging Small Business Enterprise (ESB):** is an Oregon state certified program available only for Oregon-based small businesses. To be certified, the business must be for profit; registered with the Oregon Secretary of State; be an Oregon based business according to federal tax filing; not be a joint venture; have proper licensing (e.g. engineer, plumber); and meet the size standards for emerging small business depending on tier: the smallest ESBs (Tier 1) must not exceed gross annual receipts (3-year average) of \$789k (non-construction) or \$1.9 million (construction) and have fewer than 19 employees; the larger ESBs (Tier 2) must not exceed gross annual receipts (3-year average) of \$1.3 million (non-construction) or \$3.9 million (construction) and have fewer than 29 employees

**HUBZone program (HUBZone):** is a federal certification program managed by the Small Business Administration. The program helps small businesses (for profit) in urban and rural communities. Small businesses may obtain HUBZone certification in part by employing staff who live in a HUBZone. The company must also maintain a "principal office" in a specially designated area.

**Minority Business Enterprise (MBE):** is an Oregon state certified program for minority-owned businesses. To qualify, the business must: be for profit; be registered with the Oregon Secretary of State; have gross annual receipts (3-year average) not exceeding \$23.98 million; and the business owner must be a U.S. citizen or lawfully admitted, permanent resident; the business owner must meet the definition of a minority who meets the eligibility standards set out in Oregon Acquisition Regulations 123-200-1210 to 1240; own and control 51% or more of the business; control and manage day-to-day operations; have proper licensing (e.g. engineer, plumber); and have made a contribution of capital to the business.

**Service-Disabled Veteran-Owned Small Business (SDVOSB):** is a federal certification program managed by the Small Business Administration. To apply for certification with SBA as a SDVOSB, a firm must meet the following requirements: be considered a small business (for profit), as defined by the SBA's size standard; have no less than 51% of the business owned and controlled by one or more veterans; and have no less than 51% of the business owned and controlled by one or more veterans rated as service-disabled by the VA.

**Service-Disabled Veteran Business Enterprise (SDVBE):** is an Oregon state certified program for service-disabled veteran owned businesses. To be certified, the business must be for profit; registered with the Oregon Secretary of State; have gross annual receipts (3-year average) not exceeding \$23.98 million; the business owner must be a U.S. citizen or lawfully admitted, permanent resident; the business owner must be a service-disabled veteran; own and control 51% or more of the business; control and manage day-to-day operations; have proper licensing (e.g. engineer, plumber); and have made a contribution of capital to the business.

**Small Disadvantaged Business (SDB):** is a federal certification program. Small businesses that meet the federal criteria as economically and socially disadvantaged may self-certify in the official federal system for contractor registration, the System for Award Management (sam.gov). Firms in this program must meet the following criteria set by the Code of Federal Regulations (CFR): the firm must be 51% or more owned and controlled by one or more disadvantaged persons; the disadvantaged person or persons must be socially and economically disadvantaged (per definition at 13 CFR § 124.1001); and the firm must be small (for profit), according to SBA's size standards.

**Veteran-Owned Small Business (VOSB):** is a federal certification program managed by the Small Business Administration. To apply for certification with SBA as a VOSB, a firm must meet the following requirements: be considered a small business (for-profit), as defined by the SBA's size standard and have no less than 51% of the business owned and controlled by one or more veterans.

**Veteran Business Enterprise (VBE):** is a new Oregon state certified program. To be certified, the business must be for profit; registered with the Oregon Secretary of State; have gross annual receipts (3-year average) not exceeding \$23.98 million; the business owner must be a U.S. citizen or lawfully admitted, permanent resident; the business owner must be a veteran; own and control 51% or more of the business; control and manage day-to-day operations; have proper licensing (e.g. engineer, plumber); and have made a contribution of capital to the business.

**Women-Owned Small Business program (WOSB):** is a federal certification program managed by the Small Business Administration. To be eligible for the WOSB Federal Contract program, a business must be a small business (for profit) according to [SBA size standards](#); be at least 51% owned and controlled by women who are U.S. citizens; and have women manage day-to-day operations who also make long-term decisions.

**Women Business Enterprise (WBE):** is an Oregon state certified program for women-owned businesses. To qualify, the business must: be for profit; be registered with the Oregon Secretary of State; have gross annual receipts (3-year average) not exceeding \$23.98 million; and the business owner must be a U.S. citizen or lawfully admitted, permanent resident; the business owner must be female; own and control 51% or more of the business; control and manage day-to-day operations; have proper licensing (e.g. engineer, plumber); and have made a contribution of capital to the business.