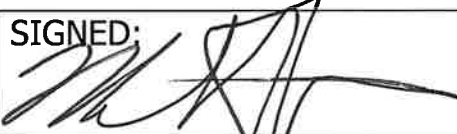




CITY OF GRAND RAPIDS

# ADMINISTRATIVE POLICY

NUMBER:04-01	DATE: August 11, 2004
REVISIONS: 01-23-07; 10-10-08; 7-16-09; 9-16-10; 12-12-17; 9-1-20	
ISSUED BY: City Manager	SIGNED: 

**SUBJECT: EQUAL BUSINESS OPPORTUNITY - CERTIFICATION**

**PURPOSE:** In support of the objectives in the City’s mission, vision, values, and strategic plan, the purpose of this Policy is to enhance the growth and development of small businesses and provide access and equal opportunity in the performance and administration of the City’s procurement process.

**POLICY:** The City of Grand Rapids Office of Equity and Engagement (OEE) will certify Micro-Local Business Enterprises (MLBEs) that desire to participate as such under the City of Grand Rapids Equal Business Opportunity Certification Policy.

**SECTION 1: DEFINITIONS**

<b>Business Day</b>	Monday, Tuesday, Wednesday, Thursday, and Friday when City Hall is open. This does not include federally observed holidays.
<b>Capability Statement</b>	A one-page business document or record providing details of the organizational competencies, capacity, achievements, associations, and accreditations.
<b>Certification</b>	The process utilized to determine whether a business meets eligibility criteria as a bona fide MLBE.
<b>Commercially Useful Function (CUF)</b>	Those functions performed when a business does all of the following: <ul style="list-style-type: none"> <li>• Is responsible for the execution of the work in a contract</li> <li>• Actually manages or supervises the work</li> <li>• Performs work in the contract that is its normal business, service or function</li> <li>• Does not subcontract out portions of the work that is greater than normal industry practices.</li> </ul>
<b>Equal Business Opportunity (EBO) Policies</b>	The Certification, Construction, Professional Services, and Goods and Services policies adopted by the Grand Rapids City Commission to accomplish the City's objectives outlined in the strategic plan.

<b>Figurehead owner</b>	The named owner does not truly control, manage and/or own the business. The figurehead is installed in order to qualify for diversity programs. For example, a figurehead owner is the named owner of a business who may be a family member but does not actually manage and/or own the company.
<b>Front Company</b>	A MLBE company that wins a contract and passes the contract on to a non-MLBE for a fee or does not provide a Commercially Useful Function (CUF).
<b>Micro-Local Business Enterprise</b>	A business certified for a period of time by the City of Grand Rapids as meeting special business requirements such as being an established business, registered as a small business with the Small Business Administration; and meeting additional requirements for business size, location, and personal net worth of the controlling owners in order to qualify for bid discounts under the City's EBO policies.
<b>Non-Compliance</b>	The condition existing when a MLBE fails to meet the requirements of this Policy.

## **SECTION 2: CERTIFICATION BY THE CITY OF GRAND RAPIDS**

### **2.1 GENERAL REQUIREMENTS:**

Business enterprises that desire to participate under the City of Grand Rapids Equal Business Opportunity Policies as certified MLBEs may qualify as such by submitting a completed certification application to the Office of Equity and Engagement, along with proof of the following:

1. **Business Age:** Verification that the business has been in operation for a minimum of one full year (12 months).

Exceptions may be granted for businesses who have not been in operation for at least one year (12 months) if the following are present:

- a. Business Owner has proven success creating and sustaining business that has supplied the City of Grand Rapids, private sector, or other public or not-for-profit entity.
  - b. Business seeking registration has at least three references to support business capacity and credibility.
  - c. Business seeking registration is looking to provide private sector with contracting or supply needs based upon City initiatives.
2. **Registration:** Verification of registration with the City of Grand Rapids Purchasing Department.

3. Location: Verification that the principal place of business has been in operation for at least six (6) months from a fixed or home office located in Kent County, Michigan. The local office must operate in accordance with the following criteria:
  - a. The local office functions on a daily or regular basis, and provides all services to operate the business for which certification is sought;
  - b. The local office contains all fixtures, equipment and/or space necessary to operate, including but not limited to, as appropriate: computer(s), software, copy machine(s), furniture, vehicle(s), tools, appliances and/or machinery necessary to operate the business for which certification is sought;
  - c. The local office must be the main office for assigned personnel who conduct the business' activities necessary to operate the local business for which certification is sought;
4. Business Size: Verification that the latest three-year average business revenue or number of permanent employees is 25% or less than the Small Business Administration's (SBA) NAICS industry small business standards.

If the business is applying for a "Business Age Exemption" as identified in Section 1, a copy of the Business Age Exemption form must be submitted with the application.

5. Personal Net Worth: Verification that the controlling owner (ownership totaling 51% or more) has an individual personal net worth, as determined for SBA (8a) status (13CFR124.104.c(2), of \$ \$305,500 (Year 2019) or less at the time of initial application. For continued Micro-LBE eligibility after admission to the program, net worth shall not exceed \$916,501 (Year 2019). For annual inflation rates, please visit our website [here](#).

Completed applications will be processed within 30 days from the date received by the Office of Equity and Engagement.

## 2.2 REPORTING CHANGES:

Businesses listed in the MLBE Directory are required to inform the City's Office of Equity and Engagement (OEE) immediately of any change in the location, ownership, management, officers, operation or control of the business and any other pertinent information that affects MLBE status. If the percentage of MLBE ownership drops below fifty-one percent (51%), the MLBE must notify the City's Office of Equity and Engagement immediately of such change. An annual update form must be submitted to OEE by end of April.

Failure to report changes to status as required by this section may result in decertification.

### 2.3 TERMS OF CERTIFICATION:

A business may be certified as a MLBE by the City of Grand Rapids for one nine (9) year period (nine consecutive years). A MLBE must submit annual reviews to the Office of Equity and Engagement. MLBEs failing to complete annual reviews shall be deemed to have their certification lapse and may no longer be certified as such under this policy.

During any period in which a MLBE is certified to participate under the Equal Business Opportunity policies, all books and records of the MLBE, which may prove or disprove MLBE eligibility, shall be open for inspection and examination by the City Manager or their designee upon reasonable notice.

### 2.4 GRADUATION

At such time as a business completes nine (9) consecutive years of certification and/or exceeds the established criteria for the MLBE certification, the business shall be deemed to have graduated from the MLBE program and shall no longer be eligible to participate in the Equal Business Opportunity Programs as a certified Micro-LBE. The business will be duly notified of its graduation.

### 2.5 EXTENSION OF MICRO-LBE STATUS

A MLBE may continue to participate in the EBO Program as a Micro-Local Business Enterprise if ALL of the following criteria is provided to the Office of Equity and Engagement prior to the graduation date:

1. Written request from Business Owner to continue as a MLBE.
2. Verification that the latest three-year average business revenue or number of employees (as applicable) is 50% or less than the Small Business Administration's (SBA) NAICS industry small business standards.
3. Identify any changes of business ownership since the last certification.
4. A recent "Capability Statement".
5. If approved, the extension will be for an additional five (5) year period.

### 2.6 DECERTIFICATION:

The Office of Equity and Engagement may decertify a MLBE that it determines to be in non-compliance. Grounds for decertification include, but are not limited to:

1. Graduation upon the expiration of the certification period.
2. Early voluntary graduation or self-removal.
3. Termination for good cause. Examples of good cause include, but are not limited to, the failure to maintain eligibility, cessation of business operation, submission of false information on application, debarment from doing business with the City of Grand Rapids.

4. The business has changed to the extent that it no longer satisfies certification requirements of this Policy.
5. The business fails to complete annual reviews pursuant to Section III, 3.1 of the Administrative Guidelines for Equal Opportunity and Non-Discrimination under City Commission policy 600-10.
6. The business is determined to be a figure-head owner, front company or to have committed eligibility fraud.

MLBEs decertified by the City of Grand Rapids are precluded from participation under the EBO Policies as MLBEs.

#### 2.7 APPEAL OF DECERTIFICATION:

The City's Business Developer shall make the initial determination on decertification and forward that initial determination to the Diversity and Inclusion Manager. The Diversity and Inclusion Manager shall either affirm or deny the determination of the Business Developer and forward their administrative decision to the business.

Staff administrative decisions relating to decertification by the Office of Equity and Engagement may be appealed pursuant to the EBO Construction Guidelines, Section 13; and the EBO Goods & Services Guidelines, Section 9, which state:

Administrative decisions relating to certification may be appealed to the Director of Equity & Engagement. Any person wishing to file such an appeal must do so within five (5) working days of the notice of the administrative decision from which an appeal is taken.

The request for an appeal must be in writing and addressed to the City of Grand Rapids Director of Equity & Engagement. The request for appeal must make reference to the specific action or actions which the appeal is directed. Within ten (10) working days of the request for appeal is based upon. The Director of Equity & Engagement shall convene a panel of staff (maximum of 3 individuals) including but not limited to representatives from the following departments based on the type of project or business: Engineering Department, Purchasing Office, Economic Development, Office of Equity and Engagement and Executive Office. The panel shall hold a hearing at which interested parties may present evidence and arguments in support of their respective positions.

Failure of a party to appear at the hearing shall be deemed to be final acceptance of the administrative decision.

Within five (5) working days of the hearing, the Director of Equity & Engagement or their designee shall issue the written decision. The decision of the appeals panel shall be final.

### **SECTION 3: DIRECTORY OF MICRO LOCAL BUSINESS ENTERPRISES**

The City of Grand Rapids Office of Equity and Engagement shall compile and maintain a directory of businesses that have been certified pursuant to this Policy.