

FREQUENTLY ASKED QUESTIONS City of San Diego's Small Local Business Enterprise (SLBE) Program

What is the SLBE program?

The Small Local Business Enterprise (SLBE) Program was created specifically for small businesses with local preference to firms located in San Diego City or County. It is a race and gender neutral program established to enhance diversity and develop new capacity and competition on City contracts.

What are the program benefits?

Restricted bidding, bid discounts and preference points. For more information, please refer to the "<u>About the</u> <u>**Program**</u>" and "<u>**Program Description Chart**</u>".

What is the difference between SLBE and ELBE?

The difference between SLBE and ELBE certification is the cap on the amount of average gross annual receipts for the last 3 fiscal years. ELBE's have a lower income cap than SLBE's. The City determines whether a firm is designated as an SLBE or ELBE based on income information submitted.

What are the requirements of the program?

Firms must be for-profit, independently owned and operated, not a subsidiary of another business, and not dominant in its field of operation. Must meet the local and business size components:

Local component: Must have a significant employee presence (25% or more employees must reside in San Diego County) and a principal place of business (physical office through which a firm obtains no less than 50% of its overall customer/sales dollars) in San Diego County.

Business size component: please refer to the "Program Income Caps".

Additionally, a firm must be fully operational for 12 consecutive months. Architect & Engineering firms must be fully operational for 6 consecutive months.

How do I apply for a new certification/renew my existing certification?

Apply online through our website: <u>http://www.sandiego.gov/eoc/programs/slbe.shtml</u>. (Make sure to review all pertinent documents prior to starting the application process)

What documents am I required to submit?

Please refer to "**Required Document Checklist for New Applications**" or "**Required Document Checklist for Renewal Applications**".

Do I have to have a Business Tax Certificate with the City of San Diego?

Yes. A Business Tax Certificate is required for all businesses operating within the City of San Diego. City of San Diego Municipal Code Section 31.0121 states that no person shall engage in any business, trade calling, or occupation until a certificate of payment is obtained. Self-employed persons and independent contractors are also required to pay the Business Tax. Business licenses from other municipalities are not acceptable.

My company is a State Certified Small Business/Disabled Veteran Business Enterprise, do I qualify for the <u>SLBE or ELBE program?</u>

A State Certified Small Business <u>may</u> qualify for certification in the SLBE Program if the business does not exceed the average annual gross receipts of the SLBE Program.

If you are a State Certified Small <u>Micro</u> Business or Disabled Veteran Business Enterprise (DVBE), you automatically meet the SLBE size standards. Therefore, you are not required to submit financial documents; however, you must submit your certification document and all other required documents in order to meet the local requirement.

What is the State of California's definition for Micro and Small Businesses?

A Micro Business is a business, that together with affiliates, has an average annual gross receipt of three million five hundred thousand dollars (\$3,500,000) or less over the three previous years, or a manufacturer with 25 or fewer employees.

A Small Business is a business that, together with affiliates, has 100 or fewer employees, and an average annual gross receipt of \$14 million or less over the previous three tax years, or a manufacturer with 100 or fewer employees.

Does my business have to be certified by the State before I can apply for SLBE certification?

No, your business does not have to be state certified to participate in the SLBE Program.

How long is the SLBE certification valid?

The SLBE certification is valid for 2 years. After which, you will need to reapply in accordance with SLBE guidelines.