

## WHAT IS A CBE?

- **Procurement Preference.** CBEs are registered companies with the Department of Small and Local Business Development (DSLBD) and receive preference in District Government contracting and procurement.
- **Certification Categories.** To become certified, a business must meet the requirements of an LBE, a Local Business Enterprise, by demonstrating the business is headquartered in the District AND that more than fifty percent of employees, owners, or assets reside in the District of Columbia OR more than fifty percent of the gross receipts were derived from sources within the District.
- **Subcategory.** CBEs can apply for additional certifications to receive added preference in procurement, including Small, Disadvantaged, Resident-Owned, Longtime Resident, Enterprise Zone, Veteran-Owned, and Local Manufacturing.

## WHAT IS A SBE?

- **Procurement Preference.** SBEs are a CBE subcategory. District agencies monitored by DSLBD are subject to an annual SBE spending goal requirement, and SBEs receive preference within set-aside procurements.
- **Certification Requirements.** To be certified as an SBE, a business must demonstrate that they are local; are independently owned, operated, and controlled; meet the U.S. Small Business Administration definition of a small business; and have not exceeded DSLBD thresholds for annualized gross receipts over the past 3 years.
- **Agency requirements.** While agencies have SBE spending requirements, if no SBEs are available to complete work, agencies must spend with CBEs with other categories, if available.

## WHY DO CERTAIN DSLBD DOCUMENTS REFERENCE CBE SPENDING GOALS?

Prior to the 2014 Small and Certified Business Enterprise Development and Assistance Amendment Act, all CBEs received equal preference for District contract and procurement. The 2014 Act added priority to SBEs. Public recognition of the program has continued to follow the term CBE. While DSLBD has implemented the update in the law, rebranding of the spending goal to match the new priority will take time.

## CERTIFIED BUSINESS ENTERPRISE (CBE)

## LOCAL BUSINESS ENTERPRISE (LBE)

