

Are you interested in becoming a Reciprocity Partner with the Department of General Services?

Reciprocity Partnerships and Your Agency

The Reciprocity Program, administered by the Certification and Outreach Branch, is committed to reducing the duplication of Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) certification processes throughout California. This streamlining is accomplished through collaborative relationships. These relationships are called *Reciprocity Partnerships* and they offer benefits to meet the individual needs of each of the primary stakeholders—local governments, special districts, unique entities, SBs, DVBEs, and the State.

No-Cost Resources to Build/Enhance SB and/or DVBE Programs

You can develop, enhance or augment a SB and/or DVBE program to meet your needs without needing additional staff. This overview provides a brief description of the State's no-cost Reciprocity Program.

Local Governments, Special Districts, and Unique Entities Win

For local governments, special districts, and unique entities, a Reciprocity Partnership ensures procurement and contracting staffs have access to an advanced, central, certified-firm database with versatile, customizable query tools. The database is continuously updated and available 24/7. The database currently details more than 20,000 firms that have been certified by the State as SBs and over 1,400 who are certified as DVBEs. This assures that local programs offer procurement/contracting opportunities to SBs and/or DVBEs that already meet specific eligibility requirements. Additionally, statewide exposure for local businesses can mean increased contracting opportunities statewide, which, in turn, positively impacts the local economy.

SBs and DVBEs Win

It takes little effort for a SB and/or DVBE to participate in multiple SB/DVBE programs where Reciprocity Partnerships exist. Increased program participation provides expanded opportunities for SBs/DVBEs to do business with the prime stakeholders. A firm's visibility is increased both locally and statewide because Reciprocity Partners access the same central database.

The State Wins

Reciprocity relationships also help the State to carry out the provisions of the Governor's Executive Order D-37-01.

Reciprocity Works

Reciprocity is when a stakeholder agrees to accept State SB and/or DVBE certifications as the foundation of its local SB/DVBE business program.

SB Certification:

To be eligible for SB certification, a business must meet the following criteria:

- Independently owned and operated;
- Cannot be dominant in the field of operation;
- Principal office located in California;

- Owners (or officers in the case of a corporation) domiciled in California; and together with your affiliates, be either:
 - a business with 100 or fewer employees, and have average annual gross receipts of \$14 million or less over the previous 3 tax years, or
 - a manufacturer with 100 or fewer employees

Reciprocity is designed to be flexible, so it can be tailored to meet local program needs.

The basic formula for customization of a program would include (for example):

Honor the State Small Business Certification and, if needed or desired, require other specific local program elements such as:

- Average annual gross receipts threshold (e.g., use \$2.5 million, \$5 million, or \$14 million)
- Employee count threshold (e.g., use a count of 25, 50, or 100)
- Business address/location

DVBE Certification: (*Most DVBEs can also be certified SBs*)

To be eligible for DVBE certification, a business must meet the following criteria:

- Be at least 51% owned by one or more disabled veterans*
- Limited Liability Companies (LLCs) must be wholly owned by one or more disabled veterans
- Daily business operations must be managed and controlled by one or more disabled veterans. The disabled veteran(s) who manages and controls the business is not required to be the disabled veteran business owner(s)
- Home office must be located in the United States and cannot be a branch or subsidiary of a foreign corporation, foreign firm, or other foreign based business

**For DVBE certification purposes, a “disabled veteran” is a veteran of the U.S. military, naval, or air service; and has a service connected disability of at least 10% or more as declared by the United States Department of Veteran Affairs or the United States Department of Defense and must be domiciled in California.*

If you are looking for more information about how the Reciprocity Program may benefit your needs, please contact:

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