



Tuesday, September 29, 2020

Greetings District Small Business Community,

The global pandemic continues to impact us in ways that none of us could have imagined. On behalf of Mayor Muriel Bowser, I would like to start by saying thank you for your tireless hard work and collaboration with fellow business owners to pivot, survive and thrive during these uncertain times.

I am extremely proud of the work that the team at DSLBD does for the small and local business community day in and day out. Listening to the challenges of CBEs, I realized early in my tenure that this agency will only ever be as strong as the laws that govern us.

Today, I am excited to announce that, with the support of Mayor Bowser, DSLBD has drafted reforms to the CBE law that strengthen DSLBD's ability to advocate on behalf of the CBE community. These reforms reflect countless hours of listening, working with and advocating on behalf of the small business community.

Some of the highlights of this first-of-its-kind reform to the District's CBE Law will ensure the following for our small and local business community:

WEEDING OUT NON-LOCAL CBEs

- Businesses applying for and maintaining certification as a local business enterprise will need to be independently-owned and operated to ensure no controlling interest exists from out-of-state parent companies;
- Businesses will no longer be able to utilize the "asset test" as a qualification for eligibility as a local business enterprise to thwart out-of-state, larger businesses from establishing local offices for the purpose of gaining preference for District contracts and procurements;
- Beneficiaries awarded a contract over \$250,000 will be prohibited from fulfilling the mandated 35% subcontracting requirement by subcontracting to a business enterprise that it has an ownership or financial interest in;

STRENGTHENING PROMPT PAYMENT REQUIREMENTS FOR ALL CBE SUBCONTRACTORS

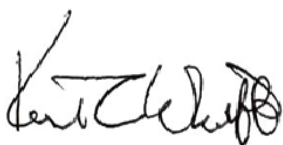
- Beneficiaries will be required to invoice the District every 30 days for work performed by any subcontractor on a government-assisted project, and following receipt of payment by the District, to pay CBE subcontractors for work properly invoiced and satisfactorily performed, further guaranteeing that subcontractors are paid timely and at a regular cadence;

PROTECTING DISTRICT CBE SPEND

- Beneficiaries who fail to use commercially reasonable best efforts to meet subcontracting requirements will be required to make the CBE community whole by closing the gap between what they should have spent and what they actually spent.

Today marks an important step in DSLBD's pursuit to keep local dollars local. Please visit the DSLBD website for both a summary and a downloadable version of these CBE Law reforms. In the coming days, we will be scheduling several upcoming stakeholder meetings to continue community engagement as we work to make these reforms reality.

Thank you again for working with DSLBD and giving us the honor of advocating on your behalf.



Kristi C. Whitfield
DSLBD Director

+1 202 727 3900



dslbd.dc.gov



@smallbizdc      