

Level playing field

Programs help small businesses nab big government contracts



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By **Juliette Fairley**

LUIS TOLEDO STARTED his Chicago-based moving and trucking company, Midwest Moving and Storage, at 22 years old, with only one truck and \$100 in his pocket. That was in 1983. Today, the youthful 55-year-old Hispanic man has 80 trucks and operates as a certified minority business enterprise (MBE), making his company eligible to bid on a variety of government contracts that keep it profitable.

"I used to knock on doors when I saw 'For Sale' signs on lawns in my neighborhood and pitch my moving services," Toledo, a Costco member, tells *The Connection*.

Today, Midwest Moving's revenues now exceed \$10 million. That's not bad for a man with only two and a half years of junior college education.

As an MBE, Midwest Moving can bid on government contracts issued by the federal government, the state of Illinois, Cook County, the Chicago public school system and the city of Chicago. Some 40 percent of the company's business comes through government contracts, covering jobs for installing panel systems and workstations, trucking and freight operations, and moving office furniture.

"The certification allows us to be part of huge [government] contracts and to bid specifically on contracts set aside for MBE suppliers," explains Toledo.

What it takes to qualify

A certified MBE is a company that's at least 51 percent owned by an entrepreneur who is of Native American, Asian Indian, African-American, Asian Pacific or Hispanic

descent. Similarly, a certified woman-owned business (WBE) is at least 51 percent woman-owned. The designations allow these companies to bid for government contracts at multiple levels.

The intent of the program is to provide a path to new business opportunities for entrepreneurs who are otherwise shut out due to their gender or race, according to Francisco Connell, an attorney who creates joint-venture contracts between Chicago-based prime business owners and certified MBEs who want to work together.

"Business is tough in the first place," says Connell, a Costco member. "An MBE and WBE program carves out a certain amount of business for women and minorities to promote their involvement and participation in contracts that were historically unavailable to them or where they previously were disproportionately under-represented."

In Chicago, for example, the chief procurement officer for the city set a goal that 25 percent of contract dollars are to be awarded to minority-owned businesses and another 5 percent to women-owned companies. However, each level of government is different, whether it's city, county or state, with some providing a joint application, which allows for certification across multiple agencies.

"The idea is to level the playing field," Connell says.

A foot in the door

Contracts focus on the areas of manufacturing, construction, IT, technology and con-

sumer products. There are 8 million minority-owned small businesses nationwide, doing \$1.56 trillion in business a year, according to a recent U.S. Census Bureau survey of business owners. Some 12,000 are certified MBE businesses, representing \$400 billion in annual revenue and actively employing either directly or indirectly more than 2.2 million workers, according to the National Minority Supplier Development Council.

"Being an MBE has allowed me opportunities to compete and secure additional business," says Toledo. "It gets our foot in the door where we can show off our professional services and win over the account." [E]

Juliette Fairley (juliettefairleyhoststv.com) is a Manhattan-based freelance writer and TV show host.

Resources

TO LEARN MORE about MBEs and WBEs, as well as other programs to help small businesses secure government contracts, see these resources:

Small Business Administration, sba.gov/content/minority-owned-businesses

MBE certification, www.nmsdc.org/mbes/mbe-certification

Federal certification, sba.gov/category/navigation-structure/8a-business-development-program