

SBE Program Information Session

Rene' Lindsay, Chief Procurement Officer

July 2026



Why Move to a Race- and Gender-Neutral SBE Program

MSD can preserve small business opportunity while aligning with current legal requirements and federal funding expectations.

1

Legal alignment

Uses objective eligibility criteria — size, independence, and good standing — consistent with current legal standards.

2

Funding continuity

Supports continued eligibility for federal funding by maintaining compliant, defensible procurement practices.

3

Continued opportunity

Keeps expanding access for qualified small businesses through transparent goals, outreach, and vendor support.

Bottom line: the updated framework advances inclusion while reducing compliance risk.

Program Changes

- The MBE/WBE Program, including the Bid Discount, will end June 30, 2026.
- The Small Business Enterprise (SBE) Program begins July 1, 2026.
- The Small Local Business Enterprise (SLBE) Program will remain in place with some changes.
- SBE and SLBE will operate independently, each with its own policy and requirements.
- The Supplier Diversity Group will be renamed Economic Inclusion and will oversee both programs.

Transition Plan

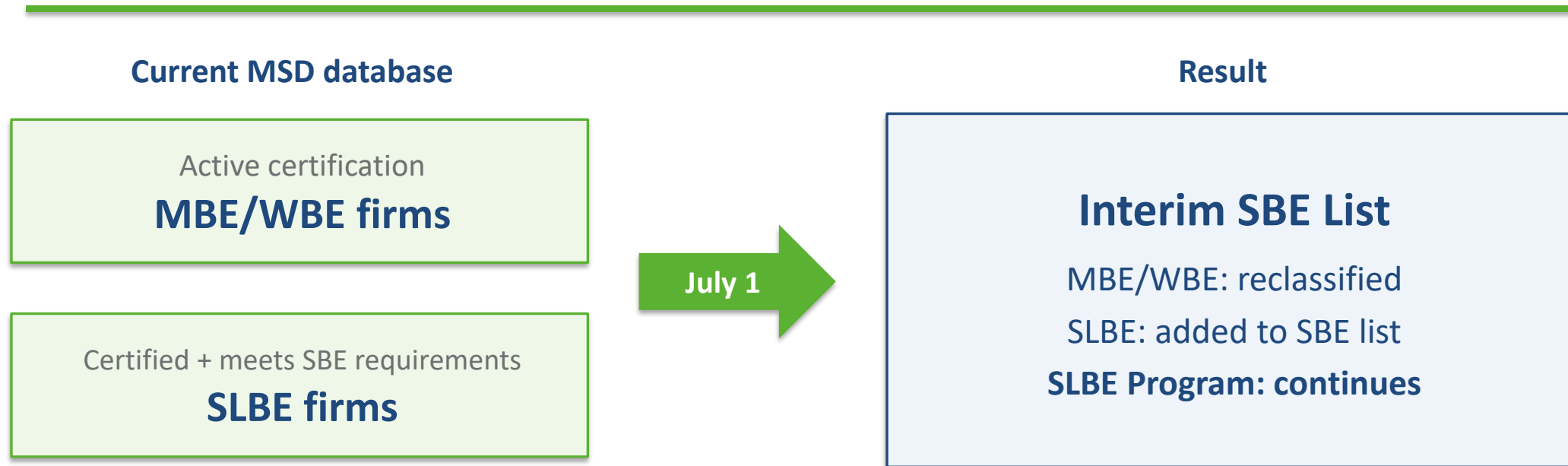


Transition Plan

- Contracts awarded before July 1, 2026, will follow their existing professional services or construction requirements for the full contract term.
 - Prime contractors are expected to meet the goals in effect at contract execution throughout the contract.
- Contracts awarded on or after July 1, 2026, will follow the requirements in the Invitation to Bid.
 - This includes those bids that have already been advertised but not awarded.

Transition to Interim SBE Program

July 1: eligible registered firms move into the SBE Program.



SLBE remains a separate program; eligible SLBE firms also appear on the SBE Program.

Transition Plan: Current MBE/WBE Firms

- Your firm will move automatically into the SBE program, not the SLBE program.
- At your next renewal or expiration, complete the SBE renewal process.
- MSD will verify eligibility using SBA size standards, NAICS/commodity codes, annual revenue, employee count, and other requirements.
 - [Size Standards Tool | U.S. Small Business Administration](#)

Transition Plan: Current MBE/WBE Firms

- Firms that meet applicable requirements will remain eligible for the SBE program.
- Firms that do not meet the standards will be removed from the SBE database after review.
- MSD will provide a 60-day grace period when certification expires while renewal documents are submitted and reviewed.
- During the grace period, the firm remains listed in the SBE database pending final eligibility determination.

SBE Certification Recognition Process

- To process an SBE certification recognition process, submit the following through the SBE portal:
 - Completed MSD SBE Certification Application
 - Proof the business has operated for at least one year
 - Required supporting documents listed in the application
 - Gross receipts/sales for the past three years; MSD may request tax returns or other financial records
 - Number of employees
- MSD may accept certifications from agencies that certify small businesses under federal guidelines.

SBE Program Eligibility Requirements



SBE Eligibility Criteria

Eligibility is based on neutral business qualifications — not race or gender.

1

For-profit company

Must be a for-profit company.

2

Small business size

Meets applicable federal size standards for the firm's work category.

3

Independence

Independently owned and operated; not controlled by another firm.

4

Good standing

Properly registered, licensed, and in good standing to do business.

Interim approach: maintain continuity while the SBE database is built, then verify firms through the normal renewal cycle.

SBE Program Eligibility Requirements

- Firms must meet SBA size standards for the NAICS codes that match the work they will perform on MSD contracts.
 - SBA size standards vary by industry and are based on either:
 - Average annual receipts over the past three years; or
 - Average number of employees over the past 24 months.
- [Size Standards Tool | U.S. Small Business Administration](#)

SBA Size Standard Examples

Construction Professional Services	NAICS Codes	NAICS Industry Description	Size standards in millions of dollars
	237110	Water and Sewer Line and Related Structures Construction	\$45.00
	237990	Other Heavy and Civil Engineering Construction	\$45.00
	238110	Poured Concrete Foundation and Structure Contractors	\$19.00
	238140	Masonry Contractors	\$19.00
	238220	Plumbing, Heating, and Air Conditioning Contractors	\$19.00
	238910	Site Preparation Contractors	\$19.00
	541330	Engineering Services	\$25.50
	541370	Surveying and Mapping (except Geophysical) Services	\$19.00
	541380	Testing Laboratories and Services	\$19.00
	541620	Environmental Consulting Services	\$19.00

SBE Program Overview



New SBE Program Goals at a Glance

Participation goals apply to eligible MSD contracts under the new Small Business Enterprise program.

20
%

Professional Services

SBE aspirational goal

Applies to contracts of \$100K
and greater

35
%

Construction

SBE participation goal

Applies to contracts of \$300K
and greater
Contractor must meet the goal
or show GFE.

New SBE Program focus: clear participation goals by contract type and threshold.

SBE Program – Professional Services

- Professional services contracts with an Engineer's Estimate or contract value of \$100,000 or more have a 20% aspirational SBE goal.
- Prime proposers must submit the RFP/RFQ Professional Services Subconsultant Plan with their proposal.
- MSD Engineering will continue encouraging SBEs on project teams and subconsultant plans.

Construction – 35% SBE Goal

Bid Submission Requirements

Table 1. Requirements for SBE Submissions by Bidders Who HAVE MET MSD's Participation Goals
[Bidders must submit all of the following documentation to be deemed responsive.]

Required Documentation:	Bidder Completes:	SBE Subs Complete:	Submittal Deadline:
SBE Goal Compliance Plan <i>(Due with bid submittal)</i>	✓		
SBE Subcontractor Utilization Plan	✓		24 hours after Bid Opening
SBE Proposals		✓	
SBE Bid Certificate (s)		✓	

Bid Submission Requirements

Table 2. Requirements for SBE Submissions by Bidders Who WILL NOT MEET MSD's Participation Goals
[Bidders must submit all of the following documentation to be deemed responsive.]

Required Documentation:	Submittal Deadline:
SBE Goal Compliance Plan (<i>Due with bid submittal</i>)	24 Hours After Bid Opening
Subcontractor Utilization Plan	
SBE Good Faith Efforts Summary Sheets and Waiver Request Form	

Work Requirements

- Fully executed SBE sub-agreements are due within 15 calendar days of MSD approval/award.
- A Notice to Proceed will be issued after MSD receives all finalized, signed, and fully executed SBE subcontractor agreements.
- Project award is contingent on compliance with the SBE Program policy.
- After award, contractors must submit MSD pay estimates/applications showing SBE participation.
- If a monthly report is noncompliant, MSD will work with the contractor and project manager on corrective actions.

Notes on SBE Participation

- SBE subcontractors must be registered with MSD at bid opening.
- SBE subcontractors must perform work listed in their capabilities.
- MSD will count 60% of materials purchased from an SBE supplier.
- Prime contractors are responsible for vetting SBE subcontractors.
- Prime SBE cannot utilize themselves to meet the goal.
- SBEs must self-perform at least 50% of their work.

Outreach & Engagement

Public-facing outreach will explain what changes, what stays the same, and where firms can get help.

Who we will reach

1. Existing MBE/WBE firms moving to SBE
2. Small businesses seeking eligibility guidance
3. Prime contractors and professional services firms
4. Community partners and internal teams



How we will reach them

1. Webpage with overview, FAQs, and timeline
2. Informational sessions, vendor workshops, and training opportunities
3. Renewal guidance
4. Pre-bid guidance for goals, GFE, and reporting

Measures of outreach: sessions held, firms transitioned, renewal questions resolved, and vendor feedback trends.

Board Reporting & Measures of Progress

During the pilot year, MSD will report what is being implemented, what vendors need, and what results are emerging.

1

Outreach reach

Events held, attendance, firms assisted, partner touchpoints

2

Vendor transition

Existing firms moved to SBE, renewal status, new eligible firms

3

Contract participation

New SBE goal setting, awards, GFE outcomes, current-contract tracking

4

Program refinement

Issues resolved, guidance updates, year-end recommendations

Recommended cadence: transition update → mid-pilot progress → year-end evaluation and recommendation.

Small Local Business Enterprise (SLBE) Program Modification



SBE vs. SLBE: Key Differences

Difference	SBE Program	SLBE Program
Program role	Broad small-business participation framework for applicable MSD subcontracting opportunities.	Sheltered-market program for eligible local small businesses pursuing prime contracts.
Eligibility basis	Small-business size based on federal guidelines, independence, and good standing	Average gross revenue ≤ \$15M
Geographic focus	No geographic requirement.	Significant local presence in the MSD Service Area (Jefferson, Oldham, and Bullitt counties).
Contract application	20% Professional services ≥ \$100K; 35% construction services ≥ \$300K.	\$50K–\$299,999.99 sheltered-market projects.
Participation path	Prime meets the SBE goal or documents good faith efforts.	Direct access to prime contracts.

Takeaway: SBE sets the inclusive framework; SLBE creates a targeted local opportunity channel.

Small Local Business Enterprise (SLBE) Program Overview

- Sheltered-market program for eligible local small businesses
- Project range: \$50,000–\$299,999.99
- Purpose: develop, promote, and foster inclusive economic development
- Improves access to contracting opportunities
- Encourages full and equitable participation

SLBE Eligibility Requirements

- Independent, for-profit small business with significant local business presence
- Performs a commercially useful function in MSD service areas Jefferson, Oldham, and Bullitt counties, KY
- In business and operating for at least one year before applying
- Participants must submit business tax returns
- Average annual gross revenue must not exceed \$15 million
- Self-perform at least 50% of its own work
- Eligibility is subject to verification

Questions?

economicinclusion@louisvillemisd.org



Additional MSD Contacts

Chief Procurement Officer

Rene' Lindsay

Phone: 502-540-6364

[Email: rene.lindsay@louisvillemisd.org](mailto:rene.lindsay@louisvillemisd.org)

Economic Inclusion Program Administrator

Horace Gaither Jr.

Phone: 502-540-6088

[Email: horace.gaitherJr@louisvillemisd.org](mailto:horace.gaitherJr@louisvillemisd.org)

Economic Inclusion Assistant

Alyssa Brock

Phone: 502-540-6350

[Email: alyssa.brock@louisvillemisd.org](mailto:alyssa.brock@louisvillemisd.org)

Economic Inclusion Program Manager

Joy L. Walker

Phone: 502-540-6503

[Email: joy.walker@louisvillemisd.org](mailto:joy.walker@louisvillemisd.org)

Economic Inclusion Specialist

Evette Shahid

Phone: 502-540-6545

[Email: evette.shahid@louisvillemisd.org](mailto:evette.shahid@louisvillemisd.org)