

Virginia Department of Small Business and Supplier Diversity

SBSD Mission



The mission of the Virginia Department of Small Business and Supplier Diversity (SBSD) is to provide education and assistance; economic opportunity; and access to capital to generate employment and economic growth for small businesses.



AGENCY OVERVIEW

SBSD At-A-Glance

- Created by the General Assembly in 2014.
- 55 Employees
- Headquartered in Richmond, VA
- Regional offices in Northern VA, Hampton Roads, Southwestern VA, Central VA, Lynchburg

SBSD Divisions



Business Development & Outreach Services (BDOS)

Provides business development services to new and existing businesses.



Certification Division

Manages State and Federal certification programs.



Disadvantaged Business Enterprise (DBE) Outreach

Provides technical assistance to DBEs and supports the Federal DBE program.



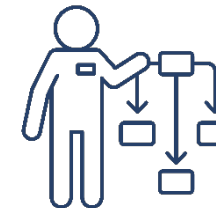
Sourcing and Compliance (SAC)

Provides data and analysis to support the Commonwealth's SWaM goals.



Virginia Small Business and Financing Authority (VSBFA)

Implements and manages financial programs.



Administration

Manages and coordinates operational functions of the agency.

Business Development & Outreach Services



Provides business development services to include individual consultation (start-up and existing), mentoring, educational workshops/training and key connections through partnerships who also offer resources for the small business community.

<https://www.sbsd.virginia.gov/business-development-and-outreach/events/>

Contact Us



Please reach out to our business development services team if you have further questions.

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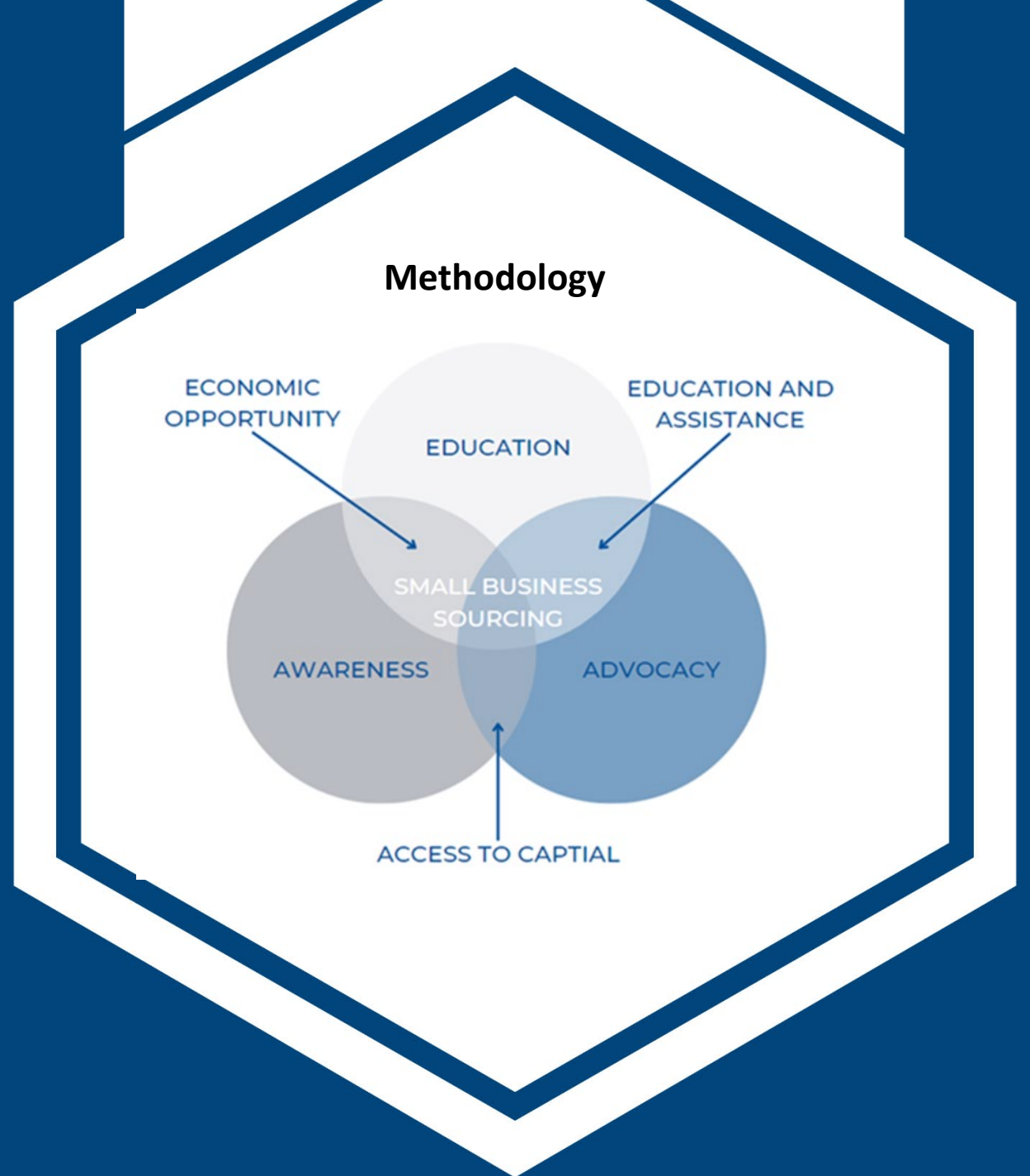
WEBSITE

www.sbsd.virginia.gov



Sourcing & Compliance Division

Facilitates the sourcing of certified small, women-owned, minority-owned (SWaM) businesses and monitors the utilization of SWaM businesses in state contracting.



Certification Division



Certification Division

The Certification Division is responsible for the administration of Virginia's business certification programs, including:

1. Small, Women, and Minority-owned businesses (SWaM)
2. Disadvantaged Business Enterprise (DBE)

In addition, the Division also provides specialized management and technical assistance to DBE firms participating in projects funded by the U.S. Department of Transportation and other federal sectors.



SWaM Designations

Small Business

At least 51% owned and controlled by one or more individuals who are U.S. citizens or legal resident aliens and, **together with its affiliates**, has 250 or fewer employees, **or** average annual gross receipts of \$10 million or less averaged over the previous 3 years.

Women-owned

At least 51% owned by one or more women who are U.S. citizens or legal resident aliens and both the management and daily business operations are controlled by one or more women.

Minority-owned

At least 51% owned by one or more minorities who are U.S. citizens or legal resident aliens and both the management and daily business operations are controlled by one or more minority individuals; or any historically black college or university.



Additional Designations



Micro Business

A certified Small Business under the SWaM Program; Required to have no more than twenty-five (25) employees and no more than \$3 million in average annual revenue over the three-year period prior to its certification

Service-Disabled Veteran

At least 51% owned and controlled by one or more service disabled veterans

ESO

An organization that provides community-based employment services to individuals with disabilities that is an approved Commission on Accreditation of Rehabilitation Facilities (CARF) accredited vendor of the Department for Aging and Rehabilitative Services

Benefits of SWaM Certification



Contracts are set aside specifically for certified SWaM businesses

Purchases under \$10,000 are set aside for micro businesses

Purchases from \$10,000 up to \$100,000 for goods and nonprofessional services and up to \$80,000 for professional services are set aside for certified small businesses

42% aspirational goal of the Commonwealth's spend should be with certified small businesses

3% of the Commonwealth's spend should be with certified SDV businesses

Set-Aside Award Priorities

Micro Business Set-Aside Award Priority (under \$10,000)

- Micro business
- Small business
- Open to all

Small Business Set-Aside Award Priority (\$10,000 up to \$100,000)

- Small business (including micro businesses)
- Open to all

Micro and small businesses shall have a price preference over noncertified businesses as long as the bid of the certified micro/small business does not exceed the low bid by more than 5%.



Certification Statistics

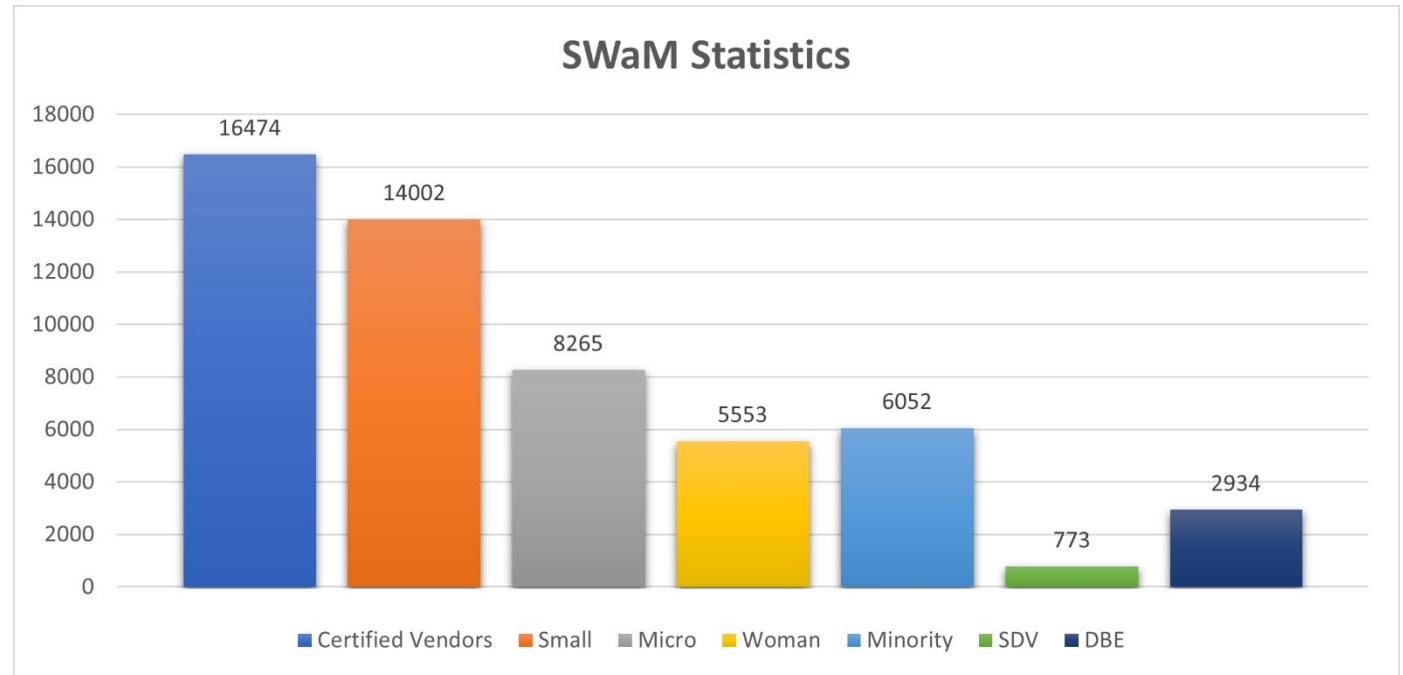
Updated as of February 6th



Number of Certified Businesses

- 16,474 Businesses
- 14,002 Small Businesses
- 8,265 Micro Businesses
- 5,553 Woman-Owned Businesses
- 6,052 Minority-Owned Businesses
- 773 Service-Disabled Businesses
- 2,934 DBE Vendors

*Definitions for certified businesses are on the following pages. The Department of Small Business & Supplier Diversity has certified a total of 16,474 entities as of February 6th, 2023. A business may also be certified in multiple sub-categories as conveyed here.



*Source: SBSD Directory

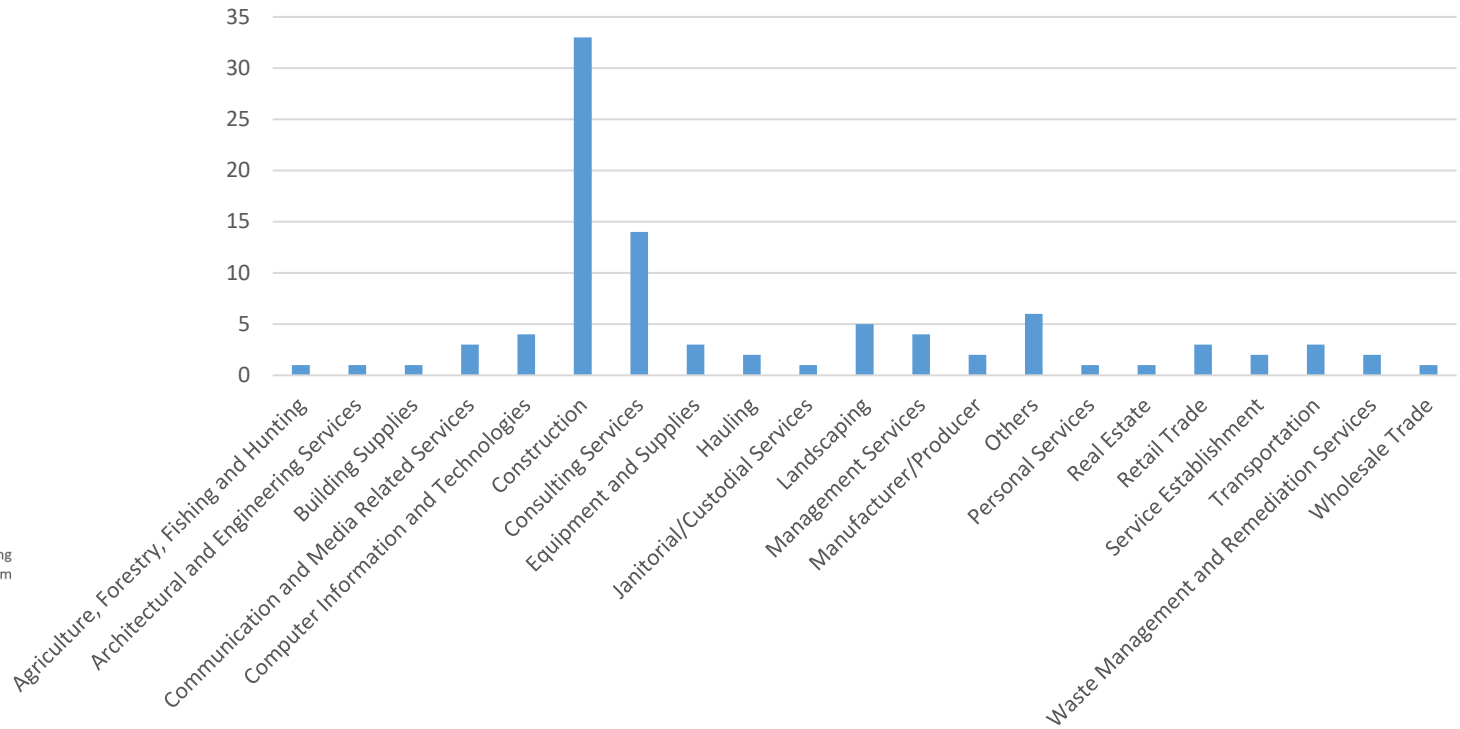
Certified Businesses in Fauquier County

Fauquier County



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Fauquier Certified Businesses

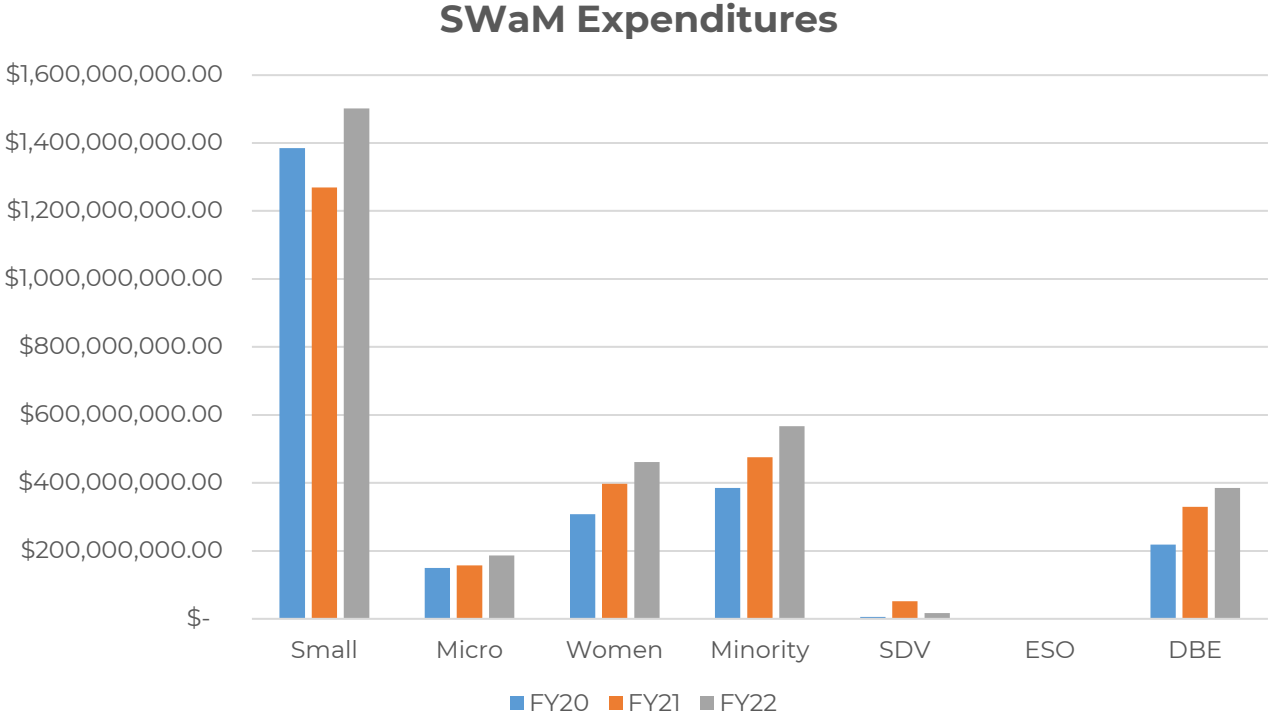


SWaM Expenditures

Updated as of February 6th 2023



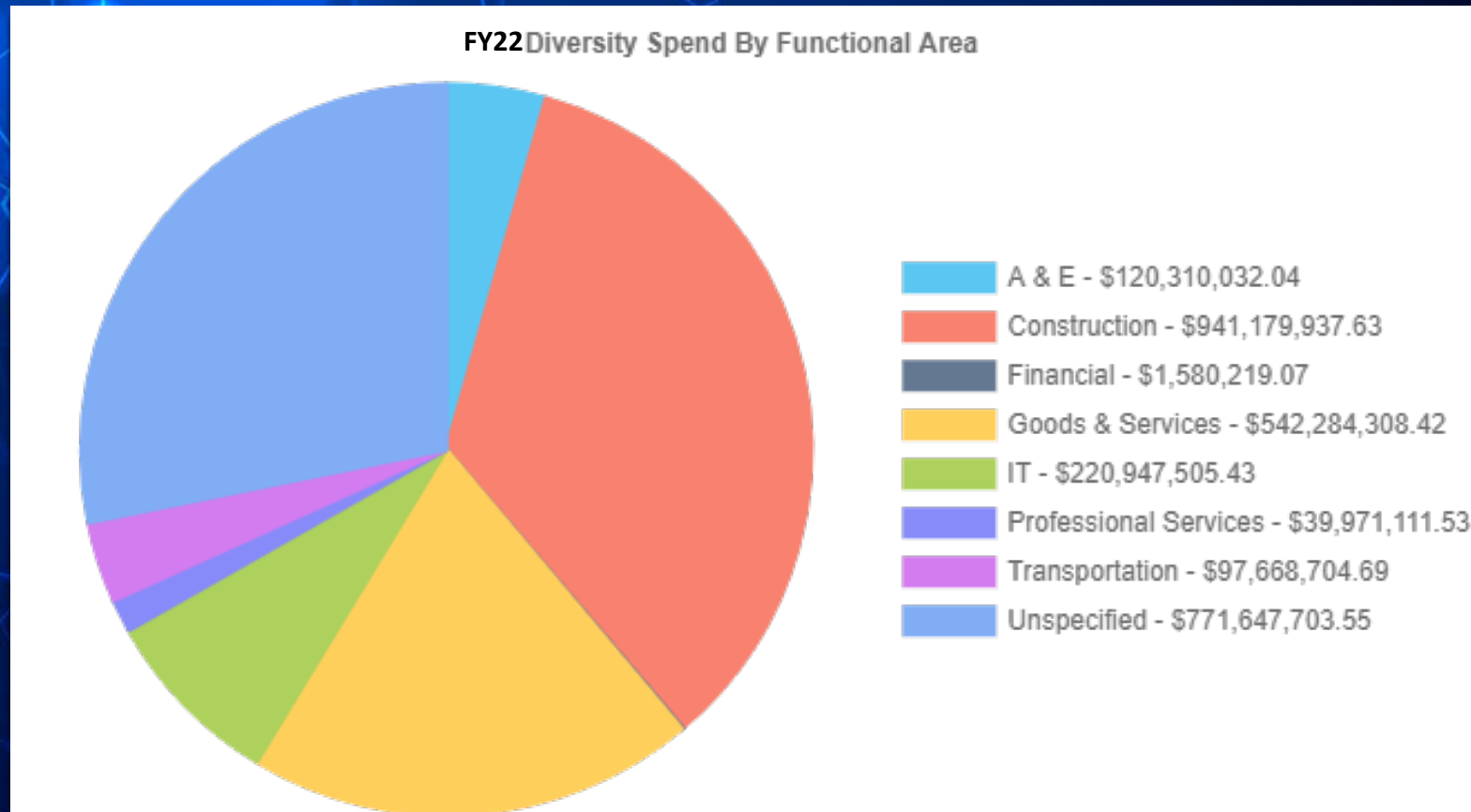
Designation	SWaM Expenditures		
	FY20	FY21	FY22
Small	\$ 1,385,108,133.46	\$ 1,269,245,951.22	\$ 1,502,041,246.50
Micro	\$ 149,886,986.29	\$ 157,720,630.62	\$ 186,212,144.18
Women	\$ 308,286,244.78	\$ 397,758,364.79	\$ 461,093,821.18
Minority	\$ 385,235,869.47	\$ 475,234,125.95	\$ 566,714,932.11
SDV	\$ 5,586,232.69	\$ 52,017,425.97	\$ 16,617,044.22
ESO	\$ 2,239,215.14	\$ 2,348,549.42	\$ 2,394,144.54
DBE	\$ 218,709,759.25	\$ 329,992,842.48	\$ 385,177,871.22



*Source: SBSD Expenditure Dashboard

SWaM Expenditure Dashboard

DSBSD captures agency spend through the Expenditure Dashboard. It is located on the Hot Links of the agency website. The Dashboard captures spend data for the Commonwealth monthly, quarterly, and annually.



Aligned within the Department of Small Business and Supplier Diversity, the VSBFA is the financing engine for small businesses in the Commonwealth.

- We **make direct loans** to small businesses, not-for-profits and *economic development authorities* to spur economic growth and expansion
- We **partner with banks** to assist them in making loans to small businesses through guaranty and participation programs
- We offer a strong **return to investors** that support small business growth and job creation
- We are a **multi-jurisdictional bond issuer** for the Commonwealth

Credit Support Programs

	<i>LOAN GUARANTY PROGRAM</i>	<i>LOAN PARTICIPATION PROGRAM</i>
Program Highlights	<ul style="list-style-type: none"> • Small businesses obtain capital for growth, expansion and liquidity • Bank grows assets • Mitigates loss of loan principal • Max: up to the lower of 50% or \$1 million of the principal balance of the loan 	<ul style="list-style-type: none"> • Small businesses obtain capital for growth, expansion and liquidity • Bank grows assets • Enables banks to loan beyond their LLL and customer or industry concentrations • Advantageous pricing is available • Max: up to the lower of 50% or \$1 million of the loan
Eligible Applicants	<ul style="list-style-type: none"> • Small businesses 	
Eligible Uses	<ul style="list-style-type: none"> • Equipment and fixed asset purchases; working capital; purchase or expand owner occupied property; leasehold improvements 	
Ineligible Uses	<ul style="list-style-type: none"> • Debt refinance; non-owner occupied real estate; residential real estate; passive investments; stock purchase; goodwill 	
Term & Amortization	<ul style="list-style-type: none"> • Credit Lines: 5 year term • Term or Real Estate Loans: 7 year term 	<ul style="list-style-type: none"> • Credit Lines: On demand renewed annually • Term Loans 10 year term and amortization • Real Estate Loans: 10 year term; 20 year amortization
Interest Rate	<ul style="list-style-type: none"> • Set by Lender 	
Fees	<ul style="list-style-type: none"> • \$200 commitment fee; 1.5% guaranty fee 	<ul style="list-style-type: none"> • May apply when VSBFA is the lead bank; set by Lender when VSBFA is the participant



Direct Loan Programs

ECONOMIC DEVELOPMENT LOAN FUND

Program Highlights

- Direct loans that assist Economic and Industrial Development Authorities retain or attract small businesses
- Projects benefit the community through job creation or retention and tax revenue
- Advantageous pricing available

Loan Limits

- \$2.5 million

Eligible Applicants

- Small businesses and Economic and Industrial Development Authorities

Fees

- \$500 Application Fee

Terms and Conditions

- Term loans: 10 years fully amortized
- Real estate loans: 10 year term; 20 year amortization

Interest Rates:

- Fixed based on Wall Street Prime
- 75% of WSJ for direct loans to Economic or Industrial Development Authorities

Eligible/Ineligible Uses:

- Yes – Purchase or expand owner occupied property and leasehold improvements; equipment and fixed asset purchases; working capital
- No – Relocate business from one VA jurisdiction to another; debt refinance; non-owner occupied real estate; residential real estate; passive investments; stock purchase; goodwill



Direct Loan Programs

	Child Care Financing	Microloan
Program Highlights	<ul style="list-style-type: none"> • Direct loans that assist child care providers to maintain and improve the health, wellness, safety and education of children • Advantageous pricing 	<ul style="list-style-type: none"> • Direct loans to small, women owned and minority owned businesses for growth and liquidity • Advantageous pricing
Loan Limits	<ul style="list-style-type: none"> • Loans up to \$200,000 for childcare centers and • Up to \$15,000 for family based providers 	<ul style="list-style-type: none"> • Loans from \$10,000 up to \$50,000
Eligible Applicants	<ul style="list-style-type: none"> • Licensed, voluntarily registered or certified child care centers • Home base providers approved by the Virginia Department of Education 	<ul style="list-style-type: none"> • Small Business as defined under the VSBFA definition • Businesses in operation for 2 years
Fees	<ul style="list-style-type: none"> • May apply 	<ul style="list-style-type: none"> • May Apply
Terms and Conditions	<ul style="list-style-type: none"> • ≤ \$150,000 – 7 years fully amortized • > \$150,000 – 10 years fully amortized 	<ul style="list-style-type: none"> • Up to 5 years fully amortized
Interest Rates:	<ul style="list-style-type: none"> • May apply 	<ul style="list-style-type: none"> • Fixed based on Wall Street Journal Prime
Eligible/Ineligible Uses:	<ul style="list-style-type: none"> • Yes – Infant care equipment; playground equipment; educational material; transportation vehicles (centers only); premise modifications for the safety or benefit of the children • No – Debt refinance; purchase or improve land; construction; mortgages; working capital 	<ul style="list-style-type: none"> • Yes – Equipment and fixed asset purchases; working capital • No – Debt refinance; real estate; passive investment; stock purchase; goodwill



Small Business Investment Grant Fund

Program Highlights

A program that encourages capital investment in small businesses to support growth and job creation in Virginia

Limits

- Grants are the lesser of 25% of the Qualified Investment or \$50,000
- Lifetime maximum per investor = \$250,000
- Annual maximum per small business = \$250,000

Qualified Applicants

- Individuals subject to Virginia income tax
- A special purpose entity established for the purpose of making investments for an individual(s)
- [Sole Proprietorships are not eligible](#)

Qualified Businesses

- A small business must meet **all** of the following criteria to qualify:
 - Annual gross revenue < \$5 million
 - No more than 50 employees
 - Principal office and substantially conducts business in the Commonwealth
 - Not received > \$5 million from equity or subordinated debt issuances in its existence

Qualified Investments

- Equity or subordinated debt investment window: made on or after July 1, 2020, but prior to January 1, 2023
- Equity investments must remain in place for 2 years
- Subordinated debt holders may not receive principal repayments for the first 3 years after issuance; be secured by the business' assets; guaranteed by any person of the business; and must subordinate to any senior bank debt of the business



Tax-Exempt Bonds

- VSBFA is the Commonwealth's Tax-Exempt Bond Conduit-Issuer for:
 - Qualified and financially sound manufacturers,
 - 501c3 non-profits, and
 - Qualified clean energy, tourism, transportation and school modernization projects
- We streamline the financing process and cost as a multi-jurisdictional issuer
- VSBFA received category awards from The Bond Buyer* in:
 - 2019 for the \$1.6B+ P3 Deal of the Year – 495 Express Lane Extension
 - 2020 for the \$1.16B+ Health Care Deal of the Year – Bon Secours Mercy Health
- YTD Q2 2022, VSBFA is #7 bond issuer in the USA at \$2.4B+

[*The Bond Buyer is a century-old daily national trade newspaper based in New York City and focused on covering the municipal bond industry.]



THANK YOU!



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