



National LGBT
Chamber of Commerce



**Austin, TX Executive Order / Resolution to
Include LGBT-Owned Businesses in City
Economic Opportunity Programs**

FREQUENTLY ASKED QUESTIONS

What is the rationale for the inclusion of certified LGBT Business Enterprises (LGBTBEs)?

The rationale is simple; our economy simply doesn't work without full participation. Discrimination is not only morally wrong; it's inefficient. Austin's economy will be strengthened as more citizens fully engage in building equity, creating jobs, and building sustainable economic strength.

LGBT business owners pay taxes and create jobs in the same way that all small businesses do. They should have access to every opportunity to grow their enterprises, including contracting and procurement opportunities with their cities and states. Intentional inclusion efforts must be made in order for underutilized diverse communities to recognize and engage in these types of opportunities. The strongest economies are the ones that include and engage everyone. Including LGBTBEs will not detract or diminish the contracting opportunities for our friends already in the diverse business community. Adding more suppliers drives competition, lowers prices for taxpayers, and allows diverse communities to work *together* in order to grow the overall number of contracting opportunities and increase economic growth.

Additionally, the LGBT segment intersects with all other diverse segments. Including LGBT people strengthens all other inclusion efforts; it will attract more people of color, more women, more people with disabilities, and more Veterans.

Who else is implementing supplier diversity initiatives?

Austin would be following in the footsteps of an ever-growing number of states, state agencies, counties as well as other cities. For LGBT business owners doing business with the State, supplier diversity initiatives provide fair access to business opportunities and **cultivates innovation, creates jobs, and drives economic growth.**

In August 2019, at the 2019 NGLCC International Business & Leadership Conference in Tampa, FL, openly LGBT Mayor Jane Castor announced an executive order to include Certified LGBTBE® suppliers in her state. This order followed Mayor Eric Garcetti's historic announcement to do the same in Los Angeles just days before. In 2018 and early 2019, NGLCC won the inclusion of Certified LGBTBE® suppliers in Orlando, FL; Nashville, TN; Baltimore, MD; Jersey State, NJ; and Hoboken, NJ, while also advancing statewide bills in New York and New Jersey. Currently, California, Massachusetts, and Pennsylvania also include Certified LGBTBE® suppliers in state

procurement, along with major cities like Seattle, Newark, Columbus, and Philadelphia. A bill was introduced in the New York State Council to include Certified LGBTBE® suppliers in the largest economy in America, and is expected to pass in 2020.

Every day the NGLCC policy team is coordinating with local legislators to create opportunities for LGBT business owners to contract with state governments just like every other small business. National legislation or a Presidential executive order is necessary to ensure that every LGBT business owner has the same right to opportunities as everyone else in America.

Would supplier diversity initiatives have a fiscal impact to Austin?

No. By recognizing the NGLCC as the exclusive third-party certification body, the initiative can be totally revenue neutral. This means there does not have to be a cost to the taxpayers in the State in implementing such policies.

The inclusion of LGBT businesses in the pool of qualified potential bidders on contracts will lead to greater **competition, which traditionally leads to lower prices/saving** for the city.

Would supplier diversity initiatives make it more expensive to do business in Austin?

No. Quite the opposite. Greater competition by a large pool of qualified bidders leads to lower prices for goods & services purchased with taxpayer dollars.

What certification mechanism is used to define an LGBT Business Enterprise?

The National LGBT Chamber of Commerce (NGLCC) has a fully accredited certification process which is rigorous and thorough. The NGLCC's certification process is based on the certification process of such well-respected organizations such as the National Minority Supplier Diversity Council (NMSDC) and WBENC. The LGBT Business Enterprise Certification includes the submission of financial/corporation documents for review and analysis to determine complete ownership, site visits to ensure that the business is meeting Commercially Useful Function Guidelines and operating in compliance with standard industry ethics and guidelines. Each application also goes before a certification committee, which is a third-party certification body that reviews all the application files, site visit notes, and makes an independent decision on the eligibility of each applicant based on the certification criteria and application files.

Is it as rigorous a certification as SBA's DBE Certification or WBENC, NMSDC's Certifications?

The NGLCC's certification and analysis is based on the same founding principles and guidelines as the process for the United States Department of Transportation's Disadvantaged Business Enterprise Program (DBE), WBENC's, and NMSDC's certification programs which include the submission of financial/corporate documentation, analysis to determine at least 51% LGBT ownership, operation and control, site visits and close adherence to ethics standards.