

SUPPLIERS

Regular Dealer/Supplier:

- Receives 60% DBE credit for the cost of the materials or supplies, including transportation costs.
- Owns (or leases) and operates a store, warehouse, or other establishment in which the contracted materials are routinely sold to the general public outside of a particular contract.
- Maintains sufficient on-hand quantities; at least 51% of the items under a purchase order must be provided from the DBE's inventory.
- Suppliers of "bulk items" (petroleum products, steel, concrete and concrete products, gravel, stone, or asphalt) are not required to maintain a store or warehouse if the firm owns and operates the equipment used to pick up and deliver the products.

Broker:

- Materials or supplies purchased from a DBE that do not meet the requirements of a regular dealer/supplier or a distributor will not be counted as a percentage.
- Only the fees or commissions charged (including transportation charges for the delivery of materials or supplies) may be counted. No portion of the cost of the materials and supplies will be counted.

Distributor:

- Receives 40% DBE credit for the cost of the materials or supplies, including transportation costs. Drop-shipping items is acceptable if the following regulatory requirements are met:
 - DBE engages in the regular sale or lease of the items specified by the contract.
 - DBE assumes complete responsibility and liability for the items once they depart the point of origin, evidenced by documentation transferring liability to the distributor.

Manufacturer:

- Manufacturer credit is appropriate when the DBE maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications. Alterations or customization of a "stock" product would be eligible for manufacturer credit. DBE credit is awarded at 100% for this type of work. Delivery type is not relevant in this type of credit.
- When a DBE makes minor modifications to the materials, supplies, articles, or equipment, the DBE is not a manufacturer. Minor modifications are additional changes to a manufactured product that are small in scope and add minimal value to the final product.

SDDOT will compare the items being supplied with the DBE's certification information to ensure the materials are accurately counted.



For more information on supplier definitions, and requirements, contact:



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