



South Central Texas Regional Certification Agency

“Increasing economic prosperity by creating opportunities and eliminating barriers”

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Policy Update Memo

To: Board of Directors, Staff and Stakeholders

From: Melanie McCoy

Date: Tuesday, April 15th, 2025

Subject: Update to Certification Policy

Policy Change

Effective April 14, 2025, the certification duration for all business enterprise certifications issued by the SCTRCA will be extended from the current two (2) year period to four (4) years. This policy applies to both local and HUB certifications processed by the SCTRCA, aligning more closely with the practices of other Texas Unified Certification Program (TUCP) members and the programmatic standard of the State of Texas Historically Underutilized Business (HUB) Program. These changes were formally adopted by the Supply SA Board of Directors on April 14, 2025.

Key Points

1. Initial Certifications: All certification types (MBE, WBE, SBE, AABE, HABE, NABE, ABE, DIBE, ESBE, VBE, and HUB) will now be granted a four-year validity period at the time of initial certification.
2. HUB-certified firms that were certified starting January 2024 or later will be granted a four-year certification period to align with Texas HUB programmatic standards. For these firms, the local SMWVBE certifications will also be adjusted to a four-year term to synchronize renewal timelines, reduce administrative burden, and ensure they are not negatively impacted by receiving a shortened certification duration.
3. Renewal Requirements: Following the initial four-year certification period, vendors will be required to renew their certification every two years. This biennial renewal will include a streamlined process consisting of an affidavit affirming no substantive changes, a Personal Net Worth (PNW) Statement, and, if requested, up to two years of personal income tax returns.
4. Certified businesses must notify SCTRCA within 30 days of any changes to ownership, control, address, or contact information, per Section 4 of the Business Enterprise Certification Program Policy & Procedure Manual.

5. The Out-of-Jurisdiction New Local Certification Application Fee will be increased to \$350, representing a \$100 adjustment aligned with the extended certification term. While modest, this change reduces the long-term cost burden for applicants and increases continuity.
6. The Out-of-Jurisdiction Renewal Fee for Local SWMBE certifications will be increased to \$150, the first fee adjustment in over five years. This fee has not been adjusted in many years and continues to support a two-year certification term

Implementation

1. The certification team will update all related processes, tools, procedures, forms, and digital materials to reflect and support this policy change.
2. Certified vendors and applicants will be formally notified of the updates, and their new expiration or verification dates will be reflected in the vendor certification system.
3. These updates will be incorporated into the forthcoming revision of the Business Enterprise Certification Program Policy & Procedure Manual.
4. An education and communication campaign will be conducted to support vendor awareness and compliance.

Rationale

This policy change serves multiple strategic objectives:

1. **Align with State Standards:** Harmonize SCTRCA policies with TUCP and HUB program practices across Texas.
2. **Improve Administrative Efficiency:** Reduce recertification frequency and streamline operations.
3. **Deliver Greater Value:** Offer vendors extended certification terms with reduced documentation requirements.
4. **Ensure Equity and Access:** Alleviate burdens on small businesses while maintaining rigorous compliance.
5. **Enhance Regional Competitiveness:** Strengthen the value proposition of SCTRCA certifications relative to peer agencies.
6. **Respond to Prior Oversight and Scrutiny:** Reflect lessons learned from recent audit findings and restore public and stakeholder trust.

Risk Assessment and Mitigation

The extended certification term introduces some risk of outdated vendor information or compliance gaps. These are mitigated through:

- **Post-Term Biennial Renewal:** Following the initial four-year certification period, vendors will be required to complete a streamlined certification renewal process every two years to confirm continued eligibility.
- **Ongoing Monitoring and Audits:** Random and risk-based audits will be conducted to ensure adherence to certification standards.
- **Timely Reporting Requirements:** Mandatory 30-day notification of material changes.
- **Education and Outreach:** Clear guidance and resources will be shared to support vendor compliance and transparency.

These combined strategies allow SCTRCA to uphold program integrity while delivering stronger accountability, greater service continuity, and increased confidence for certified businesses and the member agencies who rely on them.

This approach allows us to maintain the integrity of our certification program while providing enhanced value to the diverse business community we serve.

For questions, please contact Melanie McCoy, Executive Director, SCTRCA.