

Business Tier Definitions

Direct Purchases: A supplier that provides products and services which are used to support the prime's requirements.

First Tier: A first-tier supplier is a supplier that provides the products/services and invoices to the prime for goods and services rendered directly by that supplier.

Indirect Purchases: A supplier that provides products and services which support a company's overall operation.

Prime: A corporation or entity that provides products and services to an end user customer. The product or service is typically in its final value-added configuration. In most instances, the corporation is the lead entity in the value chain.

Second Tier: A second-tier supplier is a supplier that provides the products/services and invoices to the first-tier supplier for goods and services rendered.

Diverse Category Definitions

Disabled Veteran Business Enterprise (DVBE): Includes businesses physically located in the United States or its trust territories that are either a sole proprietorship at least 51 percent owned by one or more disabled veterans; or a subsidiary, which is wholly owned by a parent corporation, but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more veterans. A disabled veteran is an individual that served in a branch of the armed services of the United States with a service-connected disability.

Disadvantaged Business Enterprise (DBE): Includes businesses physically located in the United States or its trust territories that are at least 51 percent owned, operated and controlled by socially and economically disadvantaged group members. Socially and economically disadvantaged individuals are defined to include: African Americans, Hispanic Americans, Native Americans and Asian-Pacific Americans. In addition, an SDB must meet applicable size standards for small businesses in their industry.

Historically Underutilized Business Zone Enterprise (HUBZ): Includes businesses physically located in the United States or its trust territories that are a small business located in a designated historically underutilized business zone, distressed, urban or rural area owned, operated and controlled by one or more U.S. citizens and with at least 35 percent of its employees residing in a HUB Zone. In addition, a HUBZ allows price and non-price incentives, provides for sole-source awards on manufacturing contracts and provides equal consideration to HUB Zone eligible firms.

Lesbian, Gay, Bisexual and/or Transgender Owned Business Enterprises (LGBTBEs): Includes businesses physically located in the United States or its trust territories that are at least 51 percent unconditionally owned and operated by at least one lesbian, gay, bisexual and/or transgender (LGBT) person or persons who are either U.S. citizens or lawful permanent residents. In addition, they must exercise independence from any non-LGBT business enterprise.

Minority Business Enterprise (MBE): Includes for-profit businesses physically located in the United States or its trust territories that are at least 51 percent owned, operated and controlled by a minority individual or group. Minorities include, but are not limited to: Asian Americans, Pacific/Indian Americans, African Americans, Hispanic Americans, Native Americans, Indian/Alaskan/Hawaiian Americans and other groups defined as disadvantaged by the Small Business Administration. Foreign-owned firms operating in the United States are not included in these definitions.

Small Business Administration (SBA) and Small Businesses: An independent agency of the federal government established to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise, and to maintain and strengthen the overall economy of our nation. A small business is defined as one which is independently owned and operated and is not dominant in its field. To be eligible for SBA programs, a business must fall within a size standard set by SBA. (Specific size standard information is contained in Code of Federal Regulations, 13 CFR 121, or can be obtained by contacting your nearest SBA office or access their Web site at www.sba.gov. SIC and NAIC codes can also be found on the SBA Web site).

Small Business Enterprise (SBE): Includes businesses physically located in the United States or its trust territories that are independently owned and operated, not dominant in its field of operation, with 500 or fewer employees (maximum allowable employees to qualify as a Small Business Enterprise may be greater than 500, depending on your industry. Please refer to Public Law 95-507).

Women Business Enterprise (WBE): Includes businesses physically located in the United States or its trust territories that are at least 51 percent owned, operated and controlled by a woman or a group of women.

CVS Caremark does not operate the referenced Web sites. CVS Caremark is not responsible for the availability or reliability of the contents of those Web sites. Reference to any third-party does not constitute or imply endorsement, sponsorship or recommendation by CVS Caremark.