

LOCAL BUSINESS ENTERPRISE (LBE) PROGRAM FREQUENTLY ASKED QUESTIONS

1. How can I get certified as an LBE?

In order to qualify as an LBE, a firm must demonstrate that it meets the following criteria:

- Must have a workspace within LA County
- Must be in compliance with all applicable laws relating to licensing and is not delinquent on any Los Angeles City or Los Angeles County taxes
- Can demonstrate:
 - a. at least 50 of its full-time employees perform work within the boundaries of the County at least 60 percent of their total hours worked on annual basis; or
 - b. at least half of its full-time employees work within the boundaries of the County at a minimum of 60 percent of their total regular hours worked on annual basis; or
 - c. it is headquartered in the County of Los Angeles. Headquartered means that the business physically conducts and manages all of its operations from a location in the County

To start the certification process, register your firm at <http://www.labavn.org> and upload a completed Local Business Enterprise Affidavit of Eligibility. After review, an analyst will contact you for submission of required supporting documentation.

2. What happens if I have LSBE certification from the County of Los Angeles?

- Your firm will be recognized as an SBE by LAWA.
- However, your firm must submit a Local Business Enterprise Affidavit of Eligibility with the City of Los Angeles.
- If your firm meets the City of Los Angeles' LBE criteria and consequently obtains LBE certification, your firm will then be recognized as an LBE and LSBE by LAWA.

3. Will you accept my LBE certification from the Los Angeles Harbor Department?

No. The Harbor Department's definition of "local" for their LBE program includes five Southern California counties.

In contrast, LAWA's and the City of Los Angeles' definition of "local" for our LBE program requires that an applicant firm's work space is located in and/or employees are working within Los Angeles County under certain conditions. Please see the summary provided above.

4. If I am an LBE, how does my participation count?

If the prime contractor only has LBE certification, the prime's participation in the contract does not count towards the LBE goal, because the LBE program is a subcontracting program. This means that the prime contractor must utilize LBE subcontractors in order to get LBE credit. LAWA will credit the prime contractor with the percentage of total dollars paid to the LBE subcontractors versus the total dollars paid to the prime contractor.

However, if the prime contractor has both LBE **and** SBE certifications, the prime's participation in the contract will count as 100% LBE, 100% SBE, and 100% LSBE.

5. How does LAWA track my LBE participation level?

Prime contractors will be required to submit monthly Subcontractor Utilization forms to LAWA's Procurement Services Division (PSD). At the end of the contract, the prime contractor will submit a Final Subcontracting Report to PSD indicating the dollar amounts paid to each subcontractor. PSD will verify with all subcontractors the amount of compensation paid to them. The LBE achievement level will be calculated as the percentage of the total dollars paid to LBE subcontractors versus the total dollars paid to the prime contractor.

6. If I am awarded a contract with an LBE participation level, can I be penalized for failing to meet my pledged LBE level?

Yes. LAWA's LBE Program is a mandatory program; therefore, the LBE participation level pledged by the prime contractor will become part of the contract. The prime contractor may be assessed a penalty of up to 10% of the amount of the Subcontract(s) involved. Prime contractors must receive written approval from PSD for any reduction, increase, or other change to any LBE Subcontract amount. If an LBE subcontractor's scope of work is reduced or eliminated as a result of a Change Order issued by LAWA, the resulting change in the LBE participation will not be subject to a penalty.

7. How can I find LBEs?

You can search for LBEs on LABAVN: <https://www.labavn.org/>

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