

LOCAL SMALL BUSINESS ENTERPRISE (LSBE) PROGRAM FREQUENTLY ASKED QUESTIONS

1. How can I get certified as an LSBE?

There is no separate LSBE certification process with the City of Los Angeles or with LAWA. In order to qualify as an LSBE, a firm must be certified as an SBE and LBE. Please see the previous FAQ sheets for the SBE program and the LBE program for guidelines.

2. If I have City of Los Angeles SLB certification, is that the same thing as being an LSBE?

No. SLB certification demonstrates that the business meets the size standard to be a small business; however, no validation process occurs to determine the locality of the business; therefore, the two are not equivalent.

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

- Your firm will be recognized as an SBE by LAWA.
- However, you must submit a Local Business 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.

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

If the prime contractor is an LSBE, the prime's participation in the contract will count as 100% SBE, LBE, *and* 100% LSBE. If the LSBE prime contractor also utilizes LSBE subcontractors, the total LSBE participation will be counted as 100% LSBE. If the prime contractor is not an LSBE but uses LSBE subcontractors on the contract, LAWA will credit the prime contractor with the percentage of total dollars paid to the LSBE subcontractors versus the total dollars paid to the prime contractor.

5. How does LAWA track my LSBE 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 LSBE achievement level will be calculated as the percentage of the total dollars paid to LSBE subcontractors versus the total dollars paid to the prime contractor.

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

Yes. LAWA's LSBE Program is a mandatory program; therefore, the LSBE 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 LSBE Subcontract amount. If an LSBE subcontractor's scope of work is reduced or eliminated as a result of a Change Order issued by LAWA, the resulting change in the LSBE participation will not be subject to a penalty.

7. How can I find LSBEs?

You can search for LSBEs on LABAVN: <https://www.labavn.org/> by selecting SBE *and* LBE as your search criteria.

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