

**LOS ANGELES WORLD AIRPORTS (LAWA)
SMALL BUSINESS ENTERPRISE (SBE) PROGRAM
FREQUENTLY ASKED QUESTIONS**

1. I want to be certified as an SBE so that I can work with LAWA. How do I get certified?

LAWA defines an SBE as an independently-owned and operated business that meets the criteria set forth by:

- The Federal Small Business Administration (SBA) 8(a) Business Development Program¹
or
- The State of California Small Business (SB) Program², *whichever is larger*

Firms can become certified by the Bureau of Contract Administration (<http://bca.lacity.org/>) and receive the designation of **SBE (Proprietary)**. The SBE (Proprietary) certification is used by the three Proprietary departments of the City of Los Angeles: LAWA, Harbor Department (Harbor), and the Department of Water and Power (DWP).

In addition to accepting the SBE (Proprietary) certification, LAWA also accepts many other certifications from various agencies.

If your firm is currently certified with one of the following agencies, it will be automatically considered an SBE by LAWA:

CERTIFYING AGENCY	CERTIFICATION	ACCEPTED AS AN SBE?
Federal Small Business Administration (SBA)	SBA 8(a) Business Devpt. Program	Yes
State of California Department of General Services (DGS)	SB, MB (micro)	Yes
California Department of Transportation (CALTRANS)	SMBE, SWBE, DBE	Yes
L.A. County Metropolitan Transportation Authority (METRO)	SBE, DBE	Yes
California Unified Certification Program (CUCP) Agencies: <ul style="list-style-type: none"> • Central Contra Costa Transit Authority (CCCTA) • City of Fresno • City of Los Angeles • San Diego County Regional Airport Authority (SAN) • San Francisco Bay Area Rapid Transit District (BART) • San Francisco International Airport (SFO) • San Francisco Municipal Transportation Agency (SFMTA) • San Mateo County Transit District (SAMTRANS) • Santa Clara Valley Transportation Authority (VTA) 	DBE ³	Yes
US Women's Chamber of Commerce (USWCC)	WOSB, EDWOSB	Yes
Women's Business Enterprise Council WEST (WBEC-WEST)	WOSB	Yes
National Women Business Owners Corporation (NWBOC)	WOSB, EDWOSB	Yes
City of Los Angeles	SBE (Proprietary), SLB	Yes

¹ For information regarding the size standards used by the Federal SBA 8(a) Business Development Program, see www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf

² The State of California defines an SB as a business with 100 or fewer employees with average annual gross receipts of \$14 million or less over the last three years.

³ DBE-certified companies for all of the bulleted agencies can be found in one central database: <http://californiaucp.org/>

2. If I am an SBE, how does my participation count?

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

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

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

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

5. If a prime contractor is assessed a 10% penalty, to whom is the penalty paid?

LAWA's Board of Airport Commissioners has the authority to assess the penalty, and it will be paid to LAWA.

6. How can I find certified SBE's?

LAWA uses the following databases for SBE certification verification:

- State of California: <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx>
- California Unified Certification Program: http://www.dot.ca.gov/hq/bep/find_certified.htm
- California Dept. of Transportation: <http://www.dot.ca.gov/ucp/GetLicenseForm.do>
- L.A. County Metropolitan Transportation Authority: http://smallbusinessquery.metro.net/pages/naics_lookup.aspx
- City of Los Angeles (SLB): http://bca.lacity.org/index.cfm?nxt=slb&nxt_body=slbindex.cfm
- http://www.lawa.org/uploadedFiles/LAWA/Business/SBE_Directory.pdf

7. If SBE certification is good for two years and a contract is three years long, what happens?

If you are certified by one of the recognized agencies listed on page 1, LAWA will honor your certification for the duration of your certification with the issuing agency. A firm is responsible to follow the required guidelines of the certification agency to maintain its SBE status.

8. If I was previously certified as a LAWA SBE, do I have to re-apply for SBE (Proprietary) designation?

All firms certified as LAWA SBE prior to July 1, 2016 were automatically converted to SBE (Proprietary) and issued a revised certification letter. If you did not receive a revised certification letter or have questions regarding the status of an application issued under the LAWA SBE Certification, please contact LAWA's Certification Manager at 213-847-2650.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.