

CITY OF
LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT
Business Services Bureau

**LONG BEACH
SMALL BUSINESS ENTERPRISE
PROGRAM
(LBSBE PROGRAM)**

PARTICIPATION INSTRUCTIONS

Rev. May 2022

INSTRUCTIONS TO BIDDERS

SUMMARY

The Long Beach Small Business Enterprise Program (“LBSBE Program”) shall apply to all City Manager Departments, in accordance with Ordinance NO. ORD-11-0010, adopted June 7, 2011 and enacted on July 8, 2011.

Each prospective bidder/proposer who is successful in an LBSBE Program-applicable bid to provide goods or services to the City must comply with the City’s LBSBE policy. The City sets project specific combined Small (SBE), Very Small (VSBE) and Local Small (LSBE) goals. Proposers must either demonstrate the intent to meet the goal on the LBSBE Awardee Commitment Plan Form (SBE-2 Form) or show Good Faith Efforts of an attempt to meet the goal. The goal is considered as a percentage of the prime contractor’s base bid.

Prime bidders/proposers are required to submit an SBE-2 Form with their bid or proposal by the required due date to illustrate their intent to meet the combined SBE/VSBE/LSBE project specific goal. A combined goal means that portions of the work must be subcontracted out to a mix of Long Beach Certified SBE, VSBE and/or LSBE contractors. The goal cannot be attained by subcontracting out to only one of the three business enterprise types, it must be a combination of them. The combined total of SBE/VSBE/LSBE contracted work must equal or exceed the assigned goal as compared to the prospective bidder’s base bid. ***To count towards goal attainment, the SBE, VSBE and LSBEs must have a valid, non-expired Long Beach Small Business Enterprise Certification (LBSBE) from either PlanetBids or Long Beach Buys.***

If the prime bidder/proposer commitment plan (SBE-2 Form) does not illustrate intent to meet the combined SBE/VSBE/LSBE project goal, the bidder/proposer is required to submit a Good Faith Effort (GFE), and pass the GFE evaluation, for the bid/proposal to remain responsive.

Bidder/Proposer must submit a signed LBSBE Acknowledgment Form (Attachment A), the SBE-2 LBSBE Awardee Commitment Form (Attachment B), and if applicable, the GFE Form and supporting documents (Attachment C)

The successful prime bidder/proposer will be required to submit a monthly SBE/VSBE/LSBE utilization report to the assigned Labor Compliance Consultant. Staff will review and verify utilization and payments made to small businesses for compliance.

SETTING PROJECT SPECIFIC GOALS

The City Labor Compliance Division will review each bid opportunity (project) to determine whether the LBSBE program will apply and an associated combined goal assigned. Setting a project specific goal consists of the following:

- Evaluation of the engineers estimate to determine whether there are reasonable subcontracting opportunities;

- Review of various databases to determine the availability of SBE subcontractors identified in the subcontracting work areas, by NAICS code;
- Review of the historical assignment and achievement of subcontractor utilization on the same/similar projects.

If the City determines that there are sufficient SBEs available in the identified work areas, a mandatory LBSBE combined goal will be set for the project by establishing the percentage of the total contract amount for which a combination of SBE, VSBE and LSBE must be utilized.

Since the LBSBE Program is a mandatory program, Bidders/Proposers are strongly encouraged to attend pre-bid/pre-proposal meetings for projects with LBSBE participation levels so that they will understand the requirements of the LBSBE Program. The City will verify the LBSBE status of the proposed subcontractors, regardless of the dollar amount of work to be performed.

It is important to note that if a Prime Contractor is itself LBSBE certified as an SBE, their participation in the contract will count towards the combined goal. If the Prime Contractor is also a VSBE or LSBE, they will be considered as having met the combined goal so long as their participation in the contract meets or exceeds the assigned percentage.

SBE/VSBE/LSBE GOAL ATTAINMENT

The SBE Participation goal can be achieved in the following manner(s):

- a) **Non-SBE prime contractors/consultants** shall meet the combined SBE/VSBE/LSBE participation goal by subcontracting work to at least two of the following three certification types: SBE, VSBE, LSBE; or document and submit an acceptable good faith effort for their bid or proposal to be deemed responsive.
- b) **SBE prime contractors/consultants** are deemed to have met the SBE component of the combined SBE/VSBE/LSBE participation goal but shall subcontract out to VSBE or LSBE businesses in order to achieve the combined goal, or document and submit an acceptable good faith effort, for their bid or proposal to be deemed responsive.
- c) **VSBE or LSBE prime contractors/consultants** are deemed to have met both components of the combined SBE/VSBE/LSBE participation goal if the percentage of work the Prime participates in is equal to or greater than the project specific goal.

Contractors having demonstrated goal attainment on the SBE-2 form are required to utilize those subcontractors during the project for the annotated amount. Any changes in value or substitutions must be approved by the City. Penalties can be assessed for non-compliance, per City Ordinance [No. ORD 11-0010](#).

SBE/VSBE/LSBE ELIGIBILITY REQUIREMENTS

Only those Small, Very Small and Local Small Business Enterprises with a current and valid City of Long Beach SBE Certification on PlanetBids or Long Beach Buys shall be eligible for the fulfillment of the SBE/VSBE/LSBE participation goal. Vendors will have the “LBSBE” designation on their PlanetBids or Long Beach Buys vendor profile. Listings of LBSBE certified vendors may be obtained from either procurement platform. If a Small Business Enterprise elects to compete for City business without being certified through the PlanetBids system as an LBSBE, they may do so, but any bid submitted will not be counted towards fulfillment of the SBE participation goal. All SBE, VSBE and LSBE businesses should be encouraged to apply for the LBSBE certification over Long Beach Buys.

Prime contractors will be responsible for determining LBSBE and SBE/VSBE/LSBE status of their subcontractors at the time of bid/proposal submission for the purpose of meeting the combined goal. This information will be entered on the SBE-2 form and submitted with the bid. It will be verified by City Labor Compliance staff. The specific categories of work that the applicable contractors will be performing on the project must be relevant from the North American Industry Classification System (NAICS) codes for which they were certified in order to receive combined goal credit.

LONG BEACH SMALL BUSINESS ENTERPRISE PROGRAM CERTIFICATION

An SBE desiring certification with the City of Long Beach must complete the online certification process over Long Beach Buys. The City is no longer certifying or re-certifying vendors over PlanetBids, though we will recognize unexpired PlanetBids certifications towards goal attainment. The online certification process for Long Beach Buys can be viewed at the link below or by visiting the City website, www.longbeach.gov/purchasing and entering the Long Beach Buys portal. Please note printed certificates are not provided over Long Beach Buys, however City Staff will update the vendor’s profile to reflect LBSBE status and applicable NAICS codes after evaluating their application.

[Long Beach Buys Portal](#)

Long Beach Buys will do an initial pre-qualification for SBE certification upon application submittal. If pre-approved, the City Labor Compliance Division, will review the full application and determine final LBSBE certification status. The City will also verify VSBE status during the LBSBE application process and will update the vendor profile as required to reflect the VSBE or “microbusiness” designation.

SBE, VSBE, LSBE QUALIFICATION CRITERIA

The City determines **SBE eligibility** by utilizing federal U.S. Small Business Administration (SBA) size standards either by the average gross annual revenue or by the number of employees, based on North American Industrial Classification System (NAICS) codes. To see if your business qualifies, view the SBA's Table of Small Business Size Standards.

In addition, for a small business to be eligible for certification, the small business must be a for-profit business and must meet the following requirements as set forth from the California Department of General Services:

- Be independently owned and operated
- Not dominant in field of operation
- Principal office located in California
- Owners (officers, if a corporation) domiciled in California; and,

- Including affiliates, be either a business with 100 or fewer employees; A manufacturer with 100 or fewer employees; or, an average annual gross receipts of \$15 million or less, over the last three tax years, unless a larger threshold is provided in the SBA Table of Small Business Size Standards

To count towards the project specific combined goal, the business must have an unexpired City of Long Beach SBE (LBSBE) certification over the PlanetBids or Long Beach Buys vendor portal.

In addition to the SBE requirements above, **VSBE or microbusiness eligibility** is determined utilizing maximum allowable annual gross revenues consistent with those of the State of California's Department of General Services' "micro-business" designation. The current guidelines for this designation can be accessed on the California Department of General Services website. Currently, a small business will automatically be designated as a micro business if gross annual receipts are \$5,000,000 or less or the small business is a manufacturer with 25 or fewer employees.

To count towards the project specific combined goal, the business must also have an unexpired City of Long Beach SBE certification over the PlanetBids or Long Beach Buys vendor portal.

In addition to the SBE requirements above, **Local Small Business Enterprise** eligibility shall be determined by the criteria established in Municipal Code section 2.84.030, subdivisions (1) and (2), which states: The business must have a current, valid business license from the City of Long Beach showing a place of business within City limits; and have a current, valid seller's permit showing a place of business within City limits.

To count towards the project specific combined goal, the business must have an unexpired City of Long Beach SBE certification over the PlanetBids or Long Beach Buys vendor portal.

SBE-2 LBSBE AWARDEE COMMITMENT PLAN FORM

For LBSBE designated contracts or proposals, prime contractors must submit a completed LBSBE Awardee Commitment Plan (COLB FORM SBE-2) to the City of Long Beach as part of their proposal. This form is **Attachment B** of these Participation Instructions. It will list information for each LBSBE Certified SBE, VSBE and LSBE to be used for contract goal satisfaction. This form must be submitted regardless of whether the goal was attained or not. If the goal cannot be attained, a good faith effort explaining why the goal could not be reached shall also be submitted. The Labor Compliance Division will approve the initial SBE commitment or good faith effort submitted by the prime contractor. See Attachment B for further instructions.

During the term of the contract, the awarded contractor will be required to utilize all subcontractors listed on the SBE-2 Form in the amount and percentage specified on the form, unless the City approves a change in the scope of work that would eliminate or reduce the utilization of an SBE, VSBE, or LSBE.

SBE/VSBE/LSBE GOOD FAITH EFFORTS

A bidder/proposer whose bid or proposal fails to meet the combined participation goal shall be found responsive if an acceptable Good Faith Effort is demonstrated. Each of the 10 criteria below will be

assigned 10 points. The bidder/proposer must achieve a score of 70 out of a possible 100 points in order to be determined responsive for GFE. GFE shall be annotated on **Attachment C** of these Bidder Instructions, and submitted as part of the bid along with all supporting documents, as applicable.

1. **Attend Pre-Bid/Pre-Proposal Meeting:** The bidder/proposer must submit written evidence that he/she attended the pre-bid conference or pre-proposal meeting.

Note: To receive credit for attending the pre-bid/proposal meeting, the attendee must be a person who will be directly involved with the project, i.e., owner, project manager, etc. A copy of the sign-in sheet must be submitted. If no pre-proposal meeting is held, the bidder/proposer will receive 10-points credit for this criterion.

2. **Subdivide the Work:** The bidder/proposer must demonstrate that he/she prepared and followed a plan to subdivide the work into disciplines or work elements that could be economically performed by small businesses. It is the bidder's/proposer's responsibility to demonstrate that sufficient work was made available to SBEs, VSBEs and LSBEs to meet project specific LBSBE goal requirements.

Note: The work should be subdivided into categories or disciplines to allow for maximum SBE, VSBE and LSBE participation. For example:

Name of Project: Fuel Tank Replacements

Work Elements include but are not limited to: Hazardous waste collection- 10%; Site preparation 20%; Poured concrete and foundation contractors- 10%; construction equipment rentals: 10%; electrical : 15%; all other specialty contractors: 35%

3. **Advertise:** The bidder/proposer shall submit written evidence of commercial advertising (via web or print) for small business subcontractors/subconsultants at least **14 calendar days** prior to the bid/proposal due date. A copy of the advertisement showing the advertisement date(s), name of publication, type of work and amount of work that is being solicited, must be provided.

Note: A copy of the actual advertisement showing the advertisement date and name of the publications must be provided.

4. **Use Public Databases:** The bidder/proposer must submit written evidence of using the City's LBSBE database, small business, minority business, and women-owned business associations and chambers of commerce, or any other small business database to help solicit subcontractors in the disciplines in which the work was subdivided.

Note: A printout of the list(s) of contractors found in the public database(s) search must be provided, including the database source. Note that if they are not LBSBE certified, they must become certified prior to the bid/proposal due date. Some good sources are:

- a. City of Long Beach PlanetBids

<https://pbsystem.planetbids.com/portal/15810/portal-home>

- b. City of Long Beach Long Beach Buys
<https://longbeachbuys.buyspeed.com/bsv/view/search/external/advancedSearch.xhtml>
- c. Port of Long Beach
<https://pbsystem.planetbids.com/portal/19236/portal-home>
- d. Los Angeles Community College District
<http://www.build-laccd.org/ced/business>
- e. California Unified Certification Program database
<https://californiaucp.dbesystem.com/>

5. **Directly Solicit Small Businesses:** The bidder/proposer must submit written evidence of directly soliciting the small business subcontractors/subconsultants found in the public database search at least 14 calendar days prior to the bid/proposal due date, or as specified by City SBE staff. A copy of the written notices sent directly to each small business must be provided. A direct solicitation should include the company name, project name, scope of work, date of contact, person contacted, amount of work, and a brief specific description of the work being solicited.

Note: Create a contact log to include with your solicitation documents that includes the following information: name of company, name of project, scope of work required, date of contact, method of contact (in-person, phone, fax, email), person contacted, result of contact (waiting for response, waiting for bid/proposal, left message, no answer, etc.). This will help track the follow up in #8 below.

6. **Provide Relevant Information to Interested Small Businesses:** The bidder/proposer must submit written evidence that he/she has provided **interested** small businesses with additional information about the requirements of the contract (i.e. how to obtain plans and specifications, or responded to any project specific questions).

Note: provide a printout of the email conversation showing you responded to Interested Small Businesses inquiries, or summarize phone conversations on a phone log.

7. **Conduct Follow-Up:** The bidder/proposer must submit written evidence of specific activities used to follow up on any unsuccessful initial solicitations from #5 above. A copy of the written follow-up must be provided, or phone conversations annotated on an outreach log.

Note: Follow-up activities must include documentation of repeat contact efforts if the first contact was unsuccessful.

8. **Offer Assistance:** The bidder/proposer must demonstrate that he/she has offered to assist small businesses in obtaining bonding, insurance or equipment.

Note: Submitting the offer to assist with bonding/insurance/equipment included in the ad copy and also in direct written solicitations satisfies this requirement.

9. **Negotiate:** The bidder/proposer must submit written evidence that he/she has negotiated in good faith with interested small businesses. Documentation must include company name, contact person, method of contact, and specific items that were negotiated (scope of work, materials, equipment, insurance, bonding, personnel, timing of project, etc.).

Note: Negotiations include give-and-take by both parties with the intention of reaching a mutually satisfactory agreement. This includes responding in writing to bids/proposals from small businesses.

10. **Document Bid and Negotiation Results:** For any negotiations which were unsuccessful and for any bids/proposals received from subcontractors but not accepted, the bidder/proposer must submit the unsuccessful bidder's/proposer's company name, telephone number, contact person, price bid (if applicable), and the reason for rejecting the bid or proposal. If price is the reason for rejecting the bid/proposal, list the price bid by both the SBE/VSBE/LSBE and the low bidder for that element of work.

Note: For successful bids/proposals, Contractor must submit the name of the successful bidder/proposer(s) on COLB Form SBE-2 Commitment Plan. [Please refer to the ITB or RFP for submittal deadlines.](#)

MONTHLY REPORTING

The Awarded Contractor will utilize a City-designated form to report monthly utilization of LBSBEs as a means of monitoring goal attainment. Contractor shall cooperate with City personnel in providing such information as requested by the City or its assigned Labor Compliance Consultants in order to ensure compliance. A final LBSBE utilization report will be submitted to the City or designee within 15 days of project completion. These forms will be provided to the awardee at the pre-construction meeting.

If an awardee substitutes an SBE/VSBE/LSBE subcontractor, the awardee shall provide proof, to the satisfaction of LBSBE staff, that a good faith effort was made to replace that subcontractor's participation percentage with another SBE/VSBE/LSBE business, to meet the combined SBE/VSBE/LSBE participation percentage specified on the Awardee's Commitment Plan. At project closeout, if the prime Contractor fails to meet the combined SBE/VSBE/LSBE participation percentage specified on its Commitment Plan, or fails to provide proof that it made a good faith effort to do so, the Contractor may be considered to be in material breach of contract.

CONTACT INFORMATION

For questions or assistance, please contact the Labor Compliance Division:

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