



Small Business
Enterprise Program

www.polb.com/sbe

Port of Long Beach

SBE/VSBE Program

Frequently Asked Questions (FAQs)

Port of Long Beach SBE/VSBE Program Frequently Asked Questions (FAQs)

Table of Contents

(To advance automatically to each section, simply click your mouse over the desired Section Description)

SECTION	SECTION DESCRIPTION	PAGE #
A.	<u>GENERAL SBE/VSBE PROGRAM INFORMATION AND CONTACT INFORMATION</u>	3
B.	<u>VENDOR REGISTRATION, GENERAL VENDOR/ACCOUNT INFORMATION</u>	4
C.	<u>SBE/VSBE ELIGIBILITY, SBE CERTIFICATION, NAICS CODES</u>	6
D.	<u>SBE/VSBE GOALS AND CONTRACT REQUIREMENTS, CONDUCTING AN SBE/VSBE SEARCH, GOOD FAITH EFFORTS (GFE), FORMS AND TEMPLATES</u>	9
E.	<u>CONTRACT COMPLIANCE, PAYMENTS TO SMALL BUSINESSES, SBE/VSBE SUBSTITUTIONS</u>	11

SECTION A. GENERAL SBE/VSBE PROGRAM INFORMATION AND CONTACT INFORMATION

1. What type of program is the SBE/VSBE Program?

The Port of Long Beach's Small Business Enterprises (SBE)/Very Small Business Enterprises (VSBE) Program is a small and very small business participation program, which was developed to increase opportunities for SBEs and VSBEs to participate in Port contracts and procurements.

2. Does the Port apply bid reductions/bid preferences to bids and proposals submitted by small businesses?

No. The Port's SBE/VSBE Program is a participation program. The Port establishes annual Port-wide SBE/VSBE participation goals, contract-specific participation goals on applicable contracts, and division-wide participation goals on applicable purchases.

3. Does the Port's program include a Long Beach/local business component?

No. To participate in the Port's program as an SBE or VSBE, the firm simply has to be U.S. based.

4. How do I contact the SBE/VSBE Program Office?

Port of Long Beach SBE/VSBE Program Office
Finance Division – 5th Floor
925 Harbor Plaza
Long Beach, CA 90802

Phone: (562) 283-7598
Fax: (562) 283-7352
sbeprogram@polb.com

SBE Website
www.polb.com/sbe

Mr. Sashi Muralidharan, SBE Administrator
samural@polb.com

Ms. Dora Cortes, SBE Analyst
dora.cortes@polb.com

Ms. Christina Garcia, SBE Analyst
christina.garcia@polb.com

SECTION B. VENDOR REGISTRATION, GENERAL VENDOR/ACCOUNT INFORMATION

1. How do I register as a vendor with the Port?

- a) Access *The Network* from the SBE/VSBE webpage of the Port's website:
 - i. Log on to www.polb.com/sbe
 - ii. Click on "Vendor Login/Registration" in the Navigation Menu on the left side of the webpage. You will then be directed to *The Network's* website. **OR**
- b) Log on directly to *The Network's* website (www.thenetworkbidsystem.com).
- c) Click on the "Vendor Registration" tab.
- d) Select "Port of Long Beach" for the question that asks how you were referred to *The Network*.
- e) Proceed with vendor registration (also refer to the SBE certification FAQs).

2. I am a large firm, not a small business. Why should I register as a vendor on *The Network*?

All firms (large and small) wishing to do business with the Port of Long Beach are strongly encouraged to register as a vendor on *The Network*. Some of the many benefits of registration include:

- a) **Search for Small Businesses** – All registered vendors are able to search for SBEs and VSBEs, utilizing various search criteria, for teaming opportunities on Port projects. Also refer to small business search FAQs.
- b) **Receive email notifications of Bids, RFPs, RFQs, and other Procurement Opportunities** – All registered vendors (large and small firms) will receive email notifications of procurement activities, from all participating agencies on *The Network*, that match the commodity or service codes that your firm selected during vendor registration. For a list of *The Network's* participating agencies, log on to *The Network* (www.thenetworkbidsystem.com) and click on "Participating Agencies."
- c) **Easy Self-Registration at No Cost to Vendors** – Registration costs are absorbed by *The Network's* participating agencies, which means it's free to all vendors! The registration process is easy and simple.
- d) **Access to all Participating Agencies on *The Network*** - Firms register only once, and are accessible to all current and future participating agencies on *The Network*. To learn more about *The Network* partners, log on to www.thenetworkbidsystem.com and click on "Participating Agencies."

Note: Small businesses are required to register and obtain SBE certification in order to receive SBE/VSBE credit on Port contracts and procurements applicable to the Program.

3. What constitutes a "business" for small business certification purposes? I am an individual/ independent contractor – may I still obtain certification as a "small business"?

Your business must fall into a business structure category to qualify for certification as a small business. The Port of Long Beach follows U.S. Small Business Administration (SBA) federal guidelines and the Code of Federal Regulations (13 CFR Part 121) in defining a business concern. According to the SBA, a business concern is one that is: "organized for profit; has a place of business in the U.S.; operates primarily within the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor; is independently owned and operated; and is not dominant in its field on a national basis. The business may be a sole proprietorship, partnership, corporation, or any other legal form."

A "business structure" is defined as "an organizational framework legally recognized in a particular jurisdiction for conducting commercial activities, such as sole proprietorship, partnership, or corporation."

For more information about business structures/legal forms of ownership, please visit the following websites:

- www.sba.gov/category/navigation-structure/starting-managing-business/starting-business
- www.irs.gov/newsroom/article/0,,id=183918,00.html

4. What are NIGP codes and how do I select them?

NIGP (National Institute of Government Purchasing) codes are standard U.S. procurement codes used to identify a specific product/service. When you register as a vendor on *The Network*, you must select NIGP codes specific to your business in order to receive emails of contracting and procurement opportunities from *The Network's* participating agencies, including the Port, that match the specific products/services your business offers. All

vendors must select at least one NIGP code to complete the vendor registration process. The vendor registration process includes a link to the NIGP code search from the 2nd page of the vendor registration form.

5. How do I add or delete NIGP codes to/from my vendor account after I have already completed the online registration process?

- a) Log on to *The Network* (www.thenetworkbidsystem.com).
- b) Click on “Vendor Login” and log in to your account. You will be directed to your company’s “Main Menu.”
- c) Scroll down to the bottom of the webpage and click on “Add or Delete NIGP Codes from My Account.”

6. What should I do if I registered on *The Network* but never received my login i.d. or password?

Call *The Network’s* support department (BidNet) at 800-835-4603, Monday through Friday. BidNet will check your account to see if you completed your registration properly, and will either email the login i.d. and password to you, OR ask you to complete your registration. Two common reasons for not receiving your registration confirmation are: 1) vendor listed an incorrect/misspelled email address and 2) vendor did not select at least one NIGP code (also refer to NIGP code selection FAQs).

7. What should I do if I lost my vendor login and/or password and can’t access *The Network*?

- a) Log on to *The Network* (www.thenetworkbidsystem.com).
- b) Click on “Vendor Login.”
- c) Click on “Click here if you forgot your username, password or PIN #.”

If you are listed as the “Main Contact” person in your vendor profile, enter your email address exactly as it appears in your online profile. Your login and password will be sent to your email address. OR, you may call *The Network’s* support department (BidNet) at 800-835-4603, Monday through Friday, 5:00 a.m. - 4:00 p.m. Pacific Time. Provide BidNet with your company name and verify the main contact email address. BidNet will email your company’s login/password to your email address.

IMPORTANT:

1. Vendor logins/passwords will be sent only to the email address of the person listed as your firm’s “Main Contact” person.
2. If you wish to change the “Main Contact”, only the person listed as the “Main Contact” can request the change, unless he/she has left the company and cannot do so. If this occurs, contact BidNet and explain the situation to them and they will reset your vendor account.
3. If you do not know who is listed as your firm’s “Main Contact” person, contact the Port’s SBE Program Office at (562) 283-7598 or sbeprogram@polb.com.

8. I am a registered vendor. Why have I never received any emails regarding business opportunities from *The Network’s* participating agencies?

You should first ascertain that you have completed your vendor registration (all properly registered vendors receive a vendor login and password from *The Network*).

When agencies post a business opportunity/solicitation, they select the NIGP code(s) applicable to that solicitation. All vendors who selected the same NIGP code(s) to describe their product(s)/service(s) will receive an email notification of the solicitation. If you have properly registered but are not receiving business opportunity email notifications, you may wish to add other NIGP codes, describing products/services similar to the ones you provide, to your vendor profile.

Example: Your firm provides advertising agency services. You select NIGP code 91501 – Advertising Agency Services – for your vendor profile. Suggestion: You could also select the following NIGP codes: 91503 – Advertising/Public Relations and 91807 – Advertising Consulting Services.

9. Do the Port and the City of Long Beach share the same database? If I sign up with one, am I automatically registered with the other?

No, to both questions; the Port and City do not share a database at this time. To register with the City of Long Beach, log on to www.longbeach.gov/purchasing/ and click on “Add yourself to the City’s bidder database.” There is also a link to the City’s Purchasing Division from the Port’s SBE website: log on to www.polb.com/sbe and click on “City of Long Beach Purchasing” in the Navigation Menu.

SECTION C. SBE/VSBE ELIGIBILITY, SBE CERTIFICATION, NAICS CODES

1. What are the eligibility requirements to qualify as an SBE?

The Port defines an SBE utilizing the federal U.S. Small Business Administration’s SBE size standards based on North American Industry Classification System (NAICS) codes. To learn more about NAICS codes, log on to www.census.gov/eos/www/naics/. To find out if your business qualifies as an SBE under the Port’s Program:

- a) Log on to www.polb.com/sbe.
- b) Scroll down to the “What is a Small Business?” section, then click on “click here” to access the SBA’s Table of Small Business Size Standards.” OR
- c) Log on directly to www.sba.gov/sites/default/files/Size_Standards_Table.pdf to access a PDF version of the Table of Small Business Size Standards.

2. How do I apply for SBE certification?

Log on to *The Network* (www.thenetworkbidsystem.com). Then, choose one of the two following options:

- a) If you are a new vendor:
 - i. Click on the “Vendor Registration” tab.
 - ii. Select “Port of Long Beach” for the question that asks how you were referred to *The Network* site.
 - iii. Proceed with vendor registration.
 - iv. Towards the bottom of your Vendor Registration form, answer “yes” to the question, “Would you like to be certified as a small business in this system?” You will be directed to the “Small Business Certification Form,” where you will enter all qualifying information to determine SBE eligibility.
 - v. **Read the pop-up instructions regarding the SBE certification application/re-application process.**
 - vi. After you have entered your SBE qualifying information, scroll down to the bottom of the online form and click on “Submit Certification Form.”
- b) If you are already a registered vendor but have not yet applied for SBE certification:
 - i. Click on “Vendor Login” and log in to your account. You will be directed to your company’s “Main Menu.”
 - ii. Click on the “View/Edit My Account Information” link. You will be directed to your completed vendor registration form.
 - vii. Scroll down towards the bottom of the form and answer “yes” to the question, “Would you like to be certified as a small business in this system?”
 - iii. You will then be directed to the “Small Business Certification Form,” where you will enter all qualifying information to determine SBE eligibility. **Read the pop-up instructions regarding the SBE certification application/re-application process, to avoid denial of your application.**
 - iv. After you have entered your SBE qualifying information, scroll down to the bottom of the online form and click on “Submit Certification Form.”

3. My SBE certification has expired. How do I re-apply for SBE certification?

- a) Log on to *The Network* (www.thenetworkbidsystem.com).
- b) Click on “Vendor Login” and log in to your account. You will be directed to your company’s “Main Menu.”
- c) Click on “Small Business Certification Form” (under the “Small Business Information” heading).
- d) **Read the pop-up instructions regarding the SBE certification application/re-application process.**
- e) Update your three-year average annual gross sales dollar amount, three-year reporting period, average number of employees over the past 12 months, and NAICS codes (if applicable).
- f) Scroll down to the bottom of the online form and click on “Submit Certification Form.”

4. When and how will I receive my SBE certification?

Upon submittal of your online SBE certification application/re-application, you will be placed in “pending” status until your qualifying information is reviewed and approved by the Port of Long Beach. You will then be issued an

SBE certification letter from *The Network*. The letter will be signed by the Port's SBE Administrator and will be sent via email, to the person at your company who is listed as the "Main Contact" in your online vendor profile. SBE certifications are generally processed within five (5) business days after request.

5. How do I select NAICS codes for my online SBE profile?

You can select NAICS code(s) in one of three ways:

- a) Log on to www.census.gov/eos/www/naics/ and conduct a code search using keywords that describe the product(s) and/or service(s) your firm provides. Select the appropriate NAICS codes, then proceed with your online SBE certification application (also refer to SBE certification FAQs).
- b) Open and/or download a PDF version of the SBA's Table of Small Business Size Standards at http://www.sba.gov/sites/default/files/Size_Standards_Table.pdf. Scroll through the PDF file, select your NAICS codes based on the product(s) and/or service(s) your firm provides, then proceed with your online SBE certification application.
- c) Log on to your online vendor account on *The Network*, access the Small Business Certification Form and click on the "Click Here to Go to the NAICS Site" link, located directly above the NAICS code fields.

6. How do I add or delete NAICS codes after I've already received my SBE certification?

If you wish to add (or delete) NAICS codes to/from your SBE profile, you will have to re-apply for SBE certification, as certification is contingent upon the NAICS codes listed in your certification application.

- a) Log on to *The Network* (www.thenetworkbidsystem.com).
- b) Click on "Vendor Login" and log in to your account. You will be directed to your company's "Main Menu."
- c) Click on "Small Business Certification Form" (under the "Small Business Information" heading).
- d) Read the pop-up instructions regarding the SBE certification application/re-application process.**
- e) Add/delete the appropriate NAICS codes to/from your online SBE profile. If you need assistance locating NAICS codes, click on "Click Here to Go to the NAICS Site" link, located directly above the NAICS fields.
- f) Scroll down to the bottom of the online form and click on "Submit Certification Form."

7. Why do I have to select NIGP codes and NAICS codes for my business?

When you register as a vendor on *The Network*, you must select **NIGP codes** specific to your business in order to receive emails of business opportunities that match the specific products/services your business offers. Vendors must select at least one NIGP code to complete the vendor registration process. National Institute of Government Purchasing (NIGP) codes are standard U.S. procurement codes used to identify products and services.

When you apply for SBE certification, you must select **NAICS codes** applicable to your business in order for the Port to determine your SBE eligibility. Only vendors wishing to apply for SBE certification are required to select NAICS codes. North American Industry Classification System (NAICS) codes are used to identify a specific product or service, and are utilized by the U.S. Small Business Administration to determine SBE eligibility.

8. I am already certified as an SBE with other agencies (State of California, Metropolitan Water District, etc.). Do I still need to be certified through the Port to participate in the Port's SBE/VSBE Program?

YES. All small businesses wishing to participate in the Port's SBE/VSBE Program are required to register as a vendor on the Port's online database (*The Network*) and obtain SBE certification from *The Network* (also refer to SBE certification FAQs).

9. What should I do if I misplaced my SBE certification letter?

- a) Log on to *The Network* at www.thenetworkbidsystem.com.
- b) Log in using your login and password. You will be directed to your company's Main Menu.
- c) Under the Small Business Information header, click on "Small Business Certification Form."
- d) Click on "Click here to reprint your certification letter."

10. What are the eligibility requirements to qualify as a VSBE?

The Port's VSBE designation matches the State of California's Microbusiness designation – currently, a small business that has averaged \$3.5M million or less in annual gross revenue over the last three tax years, OR a small business manufacturer with 25 employees or less. **Note:** The Port of Long Beach is currently the only participating agency on *The Network* that utilizes the VSBE designation and sets VSBE goals on contracts.

11. How do I apply for VSBE certification?

The Port does not issue written VSBE certifications. VSBE status will be verified by the Port when your firm is listed as a VSBE on a Port project. If you qualify as a VSBE, choose one of the following options:

- a) If you have not yet applied for SBE certification, complete the online SBE certification application and simply check the VSBE box in the online application.
- b) If you are already an approved SBE and are also eligible for VSBE status, perform the following steps:
 - i. Log on to *The Network* (www.thenetworkbidsystem.com).
 - ii. Click on "Vendor Login" and log in to your account. You will be directed to your company's "Main Menu."
 - iii. Scroll down to the bottom-right of the webpage and click on "Small Business Certification Form."
 - iv. Check the VSBE box in the "Additional Certifications" field.
 - v. Scroll down to the bottom of the webpage and click on "Submit Certification Form." Note: Simply checking the VSBE box will NOT prompt a re-application and re-issuance of your SBE certification; however, you must click on "Submit Certification Form" to register your VSBE status.

12. My SBE certification letter from *The Network* states that the certification is recognized by The Port of Long Beach and the San Diego County Water Authority (SDCWA). However, there are six agencies participating in *The Network*. Why aren't the other agencies listed on my SBE certification letter?

The Port and SDCWA are the only two agencies, participating in *The Network*, that currently administer SBE Programs. For this reason, only the Port and SDCWA are currently listed on the SBE certification letter.

13. Does the Port accept any other agencies' SBE certifications? Which agencies accept *The Network's* SBE certifications?

The Port only accepts SBE certifications issued by *The Network*. To receive credit for being an SBE/VSBE and to participate in the Port's SBE/VSBE Program, the firm MUST obtain an SBE certification from *The Network*.

There are currently six agencies participating in *The Network* (to learn more about these agencies, log on to www.thenetworkbidsystem.com and click on "Participating Agencies"). Other, non-participating agencies (Metropolitan Water District, Los Angeles Unified School District, etc.) MAY accept *The Network's* SBE certifications; however, the Port does not maintain a list of those agencies. If your firm is interested in doing business with MWD, LAUSD, or any other agency, it is your firm's responsibility to ask those agencies if they accept other agencies' certifications.

SECTION D. SBE/VSBE GOALS AND CONTRACT REQUIREMENTS, CONDUCTING AN SBE/VSBE SEARCH, GOOD FAITH EFFORTS (GFE), FORMS AND TEMPLATES

1. If I am an SBE or VSBE and I'm the prime contractor/consultant, do I still have to meet the SBE/VSBE goal established for my contract?

The following rules apply:

- a) **Non-SBE prime contractors/consultants** need to meet the combined SBE/VSBE participation goal, 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 participation goal, but need to meet the VSBE component of the goal, or document and submit an acceptable good faith effort, for their bid or proposal to be deemed responsive.
- c) **VSBE prime contractors/consultants** are deemed to have met both components of the combined SBE/VSBE participation goal.

2. Do vendors and suppliers count towards my SBE/VSBE goals?

Yes. The SBE/VSBE Program includes lower-tier subcontractors/subconsultants, vendors, and suppliers. However, for a prime to receive SBE/VSBE participation credit for vendors/suppliers, the products/services rendered by the vendor/supplier MUST be directly related to the specific project. This will be verified by SBE Program staff.

3. How do I conduct a small business search on *The Network*, to find SBEs and/or VSBEs for my project?

You must be a registered vendor to use the "small business search" function on *The Network*. If you are NOT a registered vendor, please register (also refer to vendor registration FAQs).

To conduct a small business search:

- a) Log on to *The Network* (www.thenetworkbidsystem.com).
- b) Click on "Vendor Login" and log in to your account. You will be directed to your company's Main Menu.
- c) Under the Small Business Information header, click on "Search the Small Business Database."

You will see a variety of "Search Criteria Options" and "Business Classification Options." The system allows vendors to search by multiple criteria/options. When the search results are displayed, you can either click on each company name to view the company's information individually, or download all of the search results into a sortable and searchable Excel spreadsheet.

4. When searching for small businesses by a specific industry or trade, should I use NIGP or NAICS codes?

You may search by either code. Both codes represent a company's products or services; however, depending on the exact product or service for which you are trying to locate SBEs or VSBEs, you may find that either the NIGP or NAICS code is more specific. We suggest that you look up both sets of codes, then determine which code – NIGP or NAICS – is more appropriate for your SBE/VSBE search. OR, you may conduct two searches – one using the NIGP code and one using the NAICS code – to access a potentially wider pool of SBEs/VSBEs.

5. I just conducted an SBE/VSBE search. The search results include the "active" or "inactive" vendor status of the small business. How is this relevant to their small business status?

Technically, active and inactive status is not related to small business status; however, the Port encourages large firms looking to team with small businesses and/or conduct a Good Faith Effort, to contact ACTIVE SBEs first.

The Network requires registered vendors to "reactivate" their online accounts at least once per year, by updating any outdated information or simply confirming that all currently listed information is correct. If a vendor does not re-activate his/her account, the account is deemed to be INACTIVE. The system assumes that the business is no longer interested in conducting business with *The Network* participating agencies, so INACTIVE vendors no longer receive bid or RFP e-notifications. However, as long as the INACTIVE vendor's SBE certification has not expired, the vendor will still be listed in the appropriate SBE/VSBE search results. The Port encourages prime bidders to

contact ACTIVE SBEs first, as firms with ACTIVE vendor accounts are more likely to be interested and responsive businesses!

6. Will the small business search allow me to search for union/non-union contractors?

The search function does not include union/non-union contractor status. The prime contractor can inquire about a subcontractor's union status when soliciting for small business subcontractors. The Port does not have a requirement related to utilization of union contractors. The Port requires prevailing wages in accordance with the provisions of California Labor Code Sections 1770 through 1776 on public works projects. The general prevailing rate of per diem wages for public works crafts is available for download on the State of California's Department of Industrial Relations website, at www.dir.ca.gov/DLSR/PWD/.

7. Am I obligated to utilize SBEs and VSBEs that are listed on *The Network*?

No. The database is available as a resource, not a requirement. However, all small businesses must register and become certified on *The Network* before credit will be given for their use.

8. How can I obtain the SBE/VSBE Program forms and/or Good Faith Effort (GFE) Criteria?

If you are bidding/proposing on a specific project, use the most recently updated forms/documents provided in your bid specifications/RFP/RSOQ. For general purposes and/or to familiarize yourself with the Port's forms and GFE requirements, log on to www.polb.com/sbe and select "SBE/VSBE Forms" from the Navigation Menu.

9. Do I have to conduct a Good Faith Effort (GFE) if I plan to meet my SBE/VSBE goals?

You do NOT have to submit a GFE if you have demonstrated a commitment to meet both components of the combined SBE/VSBE goal. However, the Port strongly encourages you to conduct a GFE and document your efforts, regardless of whether you've committed to meeting the goal. There may be instances where a committed SBE or VSBE decides, at the last minute, to not participate, or does not meet SBE or VSBE eligibility during the SBE Administrator's evaluation of the prime's SBE/VSBE Commitment Plan (POLB Form SBE-2C or 2P). Documenting a GFE in accordance with Port requirements will allow the bidder/proposer to retain its "responsive" status and continue in the selection process if the SBE/VSBE goal commitment is not met.

Also, following the steps outlined in the GFE will actually assist the prime contractor/consultant in obtaining small businesses to meet the SBE/VSBE goal assigned to the contract.

10. As a prime contractor/consultant, when do I submit my SBE/VSBE paperwork/forms?

Construction Contractors: The three lowest bidders must submit their SBE/VSBE Commitment Plan (POLB Form SBE-2C) by 4:00 p.m. one business day following bid opening. Bidders that did not demonstrate a commitment to meet the combined SBE/VSBE goal, must submit its Good Faith Effort (GFE) documentation by 4:00 p.m. of the third business day following bid opening.

Consultants: All proposers must submit their SBE/VSBE Commitment Plan (POLB Form SBE-2P) with their proposal. Initial evaluation of the proposals will be conducted without regard to SBE/VSBE participation. Short-listed proposals' Commitment Plans will then be evaluated. Short-listed proposers that did not meet the established SBE/VSBE project goals will have to submit their Good Faith Effort (GFE) documentation and pass the evaluation in order to be considered further.

All submittal deadlines are included in bid specifications/RFPs/RSOQs.

11. Where do I submit/deliver my SBE/VSBE paperwork/forms?

For Engineering Bureau contracts, SBE/VSBE Commitment Plans and GFE documentation must be time stamped and delivered to the Engineering Bureau - 4th Floor of the Port's Administration Building. For other Bureaus' contracts, please follow the submittal instructions listed in the bid specifications/RFP/RSOQ.

NOTE: Do NOT leave your submittal with the 1st floor Receptionist – Port staff does NOT assume responsibility for delivering your submittal to the correct Port office and ensuring that it is time stamped prior to the required deadline.

SECTION E. CONTRACT COMPLIANCE, PAYMENTS TO SMALL BUSINESSES, SBE/VSBE SUBSTITUTIONS

1. What should I do if I'm an SBE/VSBE and was listed on a prime's SBE/VSBE Commitment Plan but was NOT utilized?

The Port requires prime contractors/consultants to utilize all SBEs and VSBEs listed and approved on their SBE/VSBE Commitment Plan, in the amount and percentage of contract specified on the Commitment Plan. The Port monitors SBE/VSBE utilization throughout the life of each contract, and follows up with the prime if SBEs/VSBEs are not being utilized or are under-utilized. If you are an SBE/VSBE that was listed on a prime's Commitment Plan and was NOT utilized fully and properly, please notify the SBE/VSBE Program staff (see Section A FAQs for SBE/VSBE Program contact information).

Exceptions to SBE/VSBE utilization requirements include:

- a) If an SBE/VSBE cannot perform the required service and/or deliver the required product, the prime may request to substitute the SBE/VSBE on an SBE/VSBE Substitution Form. (Note: For construction contracts, the prime must also adhere to California Public Contract Code 4100 et. seq. regarding all subcontractor substitutions.)
- b) If the Port eliminates or reduces a portion of the prime's contract or scope of work that was originally allocated to an SBE/VSBE, the prime is relieved of its obligation to utilize that SBE/VSBE, on the portion of the work that was reduced/eliminated. If this occurs, it is the prime's responsibility to notify the SBE/VSBE.

2. What should I do if I'm an SBE/VSBE and I did not get paid, by the prime, for work I performed on a Port contract?

Compliance is an integral part of the Port's SBE/VSBE Program. If you have not been paid in a timely manner for work performed on a Port contract, contact the Port's SBE Program Office at (562) 283-7598 or sbeprogram@polb.com.

SBE Program staff monitors payments made to SBEs/VSBEs by prime contractors/consultants. Monitoring activities include contacting SBEs/VSBEs to verify payments and proper utilization. Port contract provisions also require that the primes submit an SBE/VSBE Monthly Utilization Report (MUR) with their monthly invoices. These reports detail all payments made to small businesses.

3. As a prime contractor/consultant, am I allowed to replace a small business that I listed on my SBE/VSBE Commitment Plan?

Substitution of SBE/VSBE Subcontractors: Prime contractors shall be required to utilize all subcontractors listed on their SBE/VSBE Commitment Plan (POLB Form SBE-2C), in the amount and percentage specified on the form. Please refer to your bid specifications for details. Any SBE/VSBE subcontractor substitutions shall be subject to subcontractor substitutions procedures as required by Public Contract Code 4107. et. al., and shall require prior written approval by appropriate Port management.

Substitution of SBE/VSBE Subconsultants: If a prime consultant wishes to substitute an SBE/VSBE subconsultant, the prime shall make an effort to substitute that firm with another SBE/VSBE, in order to meet the SBE/VSBE goal percentage(s) listed on the prime's SBE/VSBE Commitment Plan (POLB Form SBE 2-P).

Substitution of SBE/VSBE Vendors/Suppliers: If a prime contractor/consultant wishes to substitute an SBE/VSBE vendor/supplier, the prime shall make an effort to substitute that firm with another SBE/VSBE, in order to meet the SBE/VSBE goal percentage(s) listed on the prime's SBE/VSBE Commitment Plan (POLB Form SBE-2C or 2P).