

**CITY OF LOS ANGELES
MBE/WBE/OBE
GOOD FAITH EFFORT REVIEW
FREQUENTLY ASKED QUESTIONS**

1. What is a MBE, a WBE, an OBE?

A Minority Business Enterprise (MBE) is a firm owned and controlled by individuals who are citizens of the United States (or lawfully admitted permanent residents) who are “African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans.”

A Women Business Enterprise (WBE) is a firm owned and controlled by a female.

An Other Business Enterprise (OBE) refers to any business concern that is not a WBE, MBE, or DBE. There is no certification for “OBE”.

2. What is the Good Faith Effort Review?

The Good Faith Effort is the process used to outreach to potential subcontractors. It is through this effort that a prime contractor establishes its subcontractors and/or team members. The Good Faith Effort is not an independent or pro forma process. Our review encompasses a close look at the quality and sincerity of the prime contractor’s outreach.

3. Does proposer need to document Good Faith Effort if the team meets the anticipated level of participation?

Yes. All companies submitting a proposal are expected to make a Good Faith Effort to meet the level of participation regardless of meeting the level of participation.

4. If I am a MBE/WBE do I have to complete good faith effort documentation?

Yes. All Bidders/Proposers must assist the City in implementing this policy by taking all reasonable steps to ensure that all qualified business enterprises including MBEs, WBEs and OBEs have an equal opportunity to compete for and participate in City contracts.

5. Can I be penalized for failing to meet the levels of participation?

No. Failure to meet expected MBE/WBE levels of participation, will not by itself be the basis for disqualification or determination of noncompliance with this policy. However, failure to include supporting documentation of a good faith effort and failure to achieve minimum of 75 out of 100 Good Faith Effort evaluation points will render the bid non-responsive and will result in its rejection.

6. Are there exemptions or waivers in regard to the Good Faith Effort?

No. All Bidders/Proposers must perform Good Faith Effort. Bidders/Proposers must submit documentation of their Good Faith Effort when requested by the Procurement Services Division.

7. I already have a MBE/WBE partner. Do I still have to do good faith effort outreach?

Yes. Each Bidder/Proposer must demonstrate through Good Faith Effort supporting documentation that outreach was done.

8. My company has worked on many projects for LAWA, and I've completed the good faith effort before. Do I have to complete another one?

Yes. Each time an Anticipated Level of Participation (ALP) is determined by LAWA, the bidder/proposer must perform Good Faith Effort.

9. How does a firm get certified?

Firms seeking MBE, WBE, or DBE status must submit an application and supporting documentation to the Bureau of Contract Administration (BCA). The information is reviewed; references are verified; and a financial review is performed to determine whether an applicant qualifies as an MBE, WBE, or DBE. Firms have the right to appeal. For an application, please contact the BCA at (213) 847-2650.

10. Does LAWA recognize certification from other agencies?

Yes, if you intend to use M/WBE subcontractor(s) on the project, you will receive M/WBE participation credit from LAWA for using subcontractors certified as an MBE or WBE **only** if they have been certified by one of the following California Unified Certification Program (CUCP) agencies:

California Department of Transportation (CALTRANS)
www.dot.ca.gov

City of Los Angeles
<http://bca.lacity.org>

Los Angeles County Metropolitan Transportation Authority (METRO)
www.metro.net

South California Minority Business Development Council (SCMBDC)*
www.scmdbdc.org

*MBE only. SCDMBDC certified firms must register in the Los Angeles Business Assistance Virtual Network (LABAVN) for certification verification.

11. What is a Joint Venture?

Joint venture means an association of a WBE/MBE firm and one or more other firms to carry out a single, for-profit business enterprise, for which the parties combine their property, capital, efforts, skills and knowledge, and in which the WBE/MBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.