

Washington Metropolitan Area Transit Authority

## Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:  
201972

Resolution:  
☐ Yes ☒ No

### TITLE:

Small Business Programs Office Update

### PRESENTATION SUMMARY:

The Office of Internal Business Operations (IBOP), Office of Procurement and Materials (PRMT), Small Business Programs Office (SBPO), will provide the Business Oversight Committee with an update on WMATA's Disadvantaged Business Enterprise (DBE) participation for Federal Fiscal Year (FFY) 2017; an update on the DBE program improvement plan; and an update on the DBE program staffing.

### PURPOSE:

The Business Oversight Committee will be briefed regarding WMATA's DBE participation for FFY 2017; updated on the DBE program improvement plan; and the staffing efforts to support the DBE program.

### DESCRIPTION:

#### Key Highlights:

- WMATA is currently verifying data based on contracts eligible for reimbursement. To ensure the DBE goal achievement is accurately reported, staff is collecting data on all applicable prime and subcontracts at all tiers.
- From April through September 2017, WMATA awarded \$183,351,144 in purchase orders with government clauses; \$36,693,183 (20%); and \$14,645,137 (8%) to DBE sub-contractors, totaling 28% awarded to DBEs.
- An automated prompt payment tracking tool has been developed and implemented to ensure payments to prime and sub-contractors, including DBEs, are tracked and reported in a timely and accurate manner.
- The process of uploading the prompt payment information into PeopleSoft has been completed and now in the process of verification to begin finalizing the FFY 2017 DBE semi-annual FTA report.
- Corrective actions have been initiated to address the DBE program deficiencies identified by the WMATA's Office of General Inspector (OIG),

Federal Transit Administration (FTA), and WMATA's Management Audits, Risks and Compliance (MARC) Office.

- Five of the six non-supervisory staff have been hired. For the remaining non-supervisory position, WMATA has issued a conditional offer of employment to a prospective candidate. The remaining supervisory position, Program Manager, is in recruitment.

### **Background and History:**

The Business Oversight Committee requested monthly updates regarding WMATA's reorganization of the former DBE Compliance Office into the Small Business Programs Office. The Small Business Programs Office was realigned to the Office of Internal Business Operations. WMATA has developed a corrective plan to address the deficiencies identified by management, WMATA's OIG, the FTA's Triennial Review Team and WMATA's MARC Office. This corrective action plan requires the development of new position descriptions; standard operating procedures (SOPs) for all aspects of the program; and performance goals and metrics to ensure greater internal control and overall performance.

It initially appeared WMATA achieved 8% on its DBE goal during the first six months of FFY 2017. As detailed in the Discussion section below, it has been determined the data used to compile the DBE achievement was incomplete.

### **Discussion:**

According to the U.S. Department of Transportation regulations, DBE goal attainment is the percentage of federally-funded dollars on contracts and subcontracts (at any tier) that have been committed or awarded to DBEs. WMATA reviewed its DBE data and automated collection process to ensure it accurately reports its DBE goal attainment. All the necessary data has been collected to determine the DBE goal achievement for the second half of FFY 2017 (April 1 to September 30). WMATA expects to collect all the necessary data for the first half of FFY2017 (October 1 to March 31) by March 16, 2018. After this additional data is included, we can determine whether we have met our 22% triennial goal.

WMATA is required to submit a report on a semi-annual basis to FTA regarding its DBE participation. WMATA informed FTA of its data verification check, and on February 28, 2018 submitted an updated semi-annual DBE report to FTA which covers the second half of FFY2017. With this submission, we informed FTA the tracking system is being updated to ensure Task Order awards are accurately counted as subcontracts rather than prime contracts. A revised report will be submitted after the system configuration is fixed. The report, however, still accurately captures the total number and dollar amounts of the awards, commitments, and payments going to DBEs.

## **DBE Awards and Payment Tracking - Prompt Payment Tool**

WMATA developed and implemented an automated prompt payment tool in the PeopleSoft Financial Management System. The tool monitors awards and payments to all primes and subcontractors working on Federal contracts. WMATA staff, prime and sub-contractors have been trained. The primes and sub-contractors are now able to enter the amount and date of all payments received through the automated supplier portal. The prompt payment tool will allow WMATA to track and collect the data required to submit timely reports to the FTA and WMATA's Board.

With regard to DBE program improvement, based on recommendations from the OIG, FTA, and MARC, WMATA developed and implemented a corrective action plan to improve program administration and oversight which includes (1) development of new position descriptions and the hiring of additional staff; (2) development of draft SOPs for DBE certification and goal-setting and draft procedures for all aspects of the DBE program; and (3) establishment of performance goals and metrics to ensure greater internal control and overall performance. The information below addresses progress on the corrective actions and targeted completion dates.

### **1) Prompt Payment Tool - Completed**

### **2) Data Upload - Completed**

- Phase One completed
- Phase Two completed
- Phase Three verification of data input completed

### **3) Train Prime and Subcontractors on Prompt Payment - Completed**

- Contract language has been added to the contracts with DBE goals regarding the prompt payment electronic reporting requirement. All training for prime and subcontractors have been completed.

### **4) Hire New Full-time Staff/Contractors - Completed**

- Five of the six non-supervisory staff have been hired. For the remaining non-supervisory position, WMATA has issued a conditional offer of employment to a prospective candidate. The remaining supervisory position, Program Manager, is in recruitment.
- Ongoing training, as needed.

### **5) Outreach Plan - On track for completion April 30, 2018**

- DBE Hotline
- Attendance at outreach events

**6) Revise Memorandum of Understanding (MOU) and Standard Operating Procedures (SPOs) with District Department of DDOT - Scheduled Completion May 31, 2018**

- WMATA and DDOT reviewed MOU. It has been vetted through WMATA's General Counsel's Office. Working with DDOT to finalized MOU. On track to being finalized.

**7) Internal SOPs/DBE Staff Handbook/User Manual - Scheduled Completion July 31, 2018**

- SOPs to be completed April 30, 2018
- Training manual in development

**FUNDING IMPACT:**

Funding not impacted, Board information only	
Project Manager:	T. Suzette Moore
Project Department/Office:	IBOP/PRMT

**TIMELINE:**

<b>Previous Actions</b>	October 2017 - DBE program update to Board Administration Committee  December 2017 - Implementation of the Prompt Payment Tool for vendor payments  February 2018 - Data Upload  March 2018 - Prime and Subcontractor Training  March 2018 - SBPO Staff Personnel Hired
<b>Anticipated actions after presentation</b>	April 2018 - Outreach Plan  May 2018 - Memorandum of Understanding (MOU)  July 2018 - Standard Operating Procedures/SBPO Staff Handbook/User Manual

**RECOMMENDATION:**

Continue with implementation of SPBO program and provide regular updates to the Business Oversight Committee.



Washington Metropolitan Area Transit Authority

# Small Business Programs Office Update

Business Oversight Committee

April 12, 2018



# Purpose

Provide the Committee with an update on:

- Disadvantaged Business Enterprise (DBE) goal of 22%
- DBE program improvement plan and staffing



# DBE Program Improvement Update

	Timeline	Description
1. Prompt Payment Tool (PPT) Development	Completed	<ul style="list-style-type: none"><li>▪ Developed and implemented system</li></ul>
2. Data Upload	Completed Completed Completed	<ul style="list-style-type: none"><li>▪ Phase One - Upload data for Primes and Subcontractors</li><li>▪ Phase Two - Prompt payment data uploaded</li><li>▪ Phase Three – Data verification</li></ul>
3. Training	Completed	<ul style="list-style-type: none"><li>▪ All training for prime and subcontractors completed</li></ul>
4. Hire Staff and Contractors	Completed	<ul style="list-style-type: none"><li>▪ Five of the six non-supervisory staff have been hired. For the remaining non-supervisory position, WMATA has issued a conditional offer of employment to a prospective candidate. The remaining supervisory position, Program Manager, is in recruitment.</li></ul>



# DBE Program Improvement Update

	Timeline	Description
5. Outreach Plan	04/30/18	<ul style="list-style-type: none"><li>▪ Outreach Plan in development</li></ul>
6. Memorandum of Understanding (MOU)	05/31/18	<ul style="list-style-type: none"><li>▪ Working with DDOT to finalize MOU</li></ul>
7. Standard Operating Procedures (SOPs)	07/31/18	<ul style="list-style-type: none"><li>▪ SOPs to be completed by April 30, 2018</li><li>▪ Training Manual in development</li></ul>





# DBE Program Improvement Summary

Program Improvement Action	Scheduled Completion Date	Status
1. Prompt Payment System Tool	Completed	Completed
2. Data Input Into Automated System	Completed	Phase I – Completed Phase II – Completed Phase III – Data Verification
3. Train contractors on prompt payment tool	Completed	All training – Completed
4. Hire new full-time staff/contractors	Completed	Five of the six non-supervisory Staff Personnel Hired – Completed Program Manager in Recruitment
5. Outreach Plan	April 30, 2018	In Development On Track
6. Revise MOU/develop SOPs with DDOT (MWUCP)	May 31, 2018	In Development On Track
7. Internal SOPs/DBE Staff Handbook/User Manual	July 31, 2018	In Development On Track



# FFY 2017 (April - September 2017) DBE Awards and Payments

	Purchase Orders Awarded
All Prime Contractors	\$183,351,144
DBE Prime Contractors	\$36,693,183
DBE Sub Contractors	\$14,645,137
DBE % Total	28%