

Washington Metropolitan Area Transit Authority

## Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:  
201966

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 collecting and 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; and \$36,693,183 (20%) of that amount was awarded to DBEs.
- An automated prompt payment tracking tool has been developed to ensure that payments to prime and sub-contractors, including DBEs, are tracked and reported in a timely and accurate manner.
- WMATA has begun to upload the prompt payment information into PeopleSoft 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.

- The DBE program is currently supported by two full-time WMATA employees and four full-time contractors. In accordance with the organizational improvement plan, all necessary positions will be filled by March 31, 2018.

### **Background and History:**

The Business Oversight Committee has 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 recently realigned to the Office of Procurement and Materials within the Office of Internal Business Operations. This realignment will improve efficiency and program coordination and will enable WMATA to better address the DBE program deficiencies identified by management, WMATA's OIG, the FTA's Triennial Review Team and WMATA's MARC Office.

Additionally, WMATA has developed a corrective action plan, which is currently underway. 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 that WMATA achieved 8% of 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. WMATA will collect the required information by the dates listed below.

### **Discussion:**

#### **DBE Performance**

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 is reviewing 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 that the tracking system is being updated to ensure that Task Order awards are accurately counted as subcontracts rather than prime contracts, and we will therefore, submit a revised report 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.

The table below provides an overview of the DBE performance from FFY 2014 to FFY

2017. As noted above, we are working on collecting the data for the first half of FFY2017 and will finalize the DBE participating during that period by March 16, 2018.

<b>DBE TRENDLINE</b>	<b>FFY2014</b>	<b>FFY2015</b>	<b>FFY2016</b>	<b>FFY2017 OCT-MARCH</b>	<b>FFY2017 APRIL-SEPT</b>
<b>DBE GOAL</b>	25%	25%	25%	22%	22%
<b>DBE PARTICIPATION</b>	33%	17.4%	11%	8%	28%

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

WMATA has developed and implemented an automated prompt payment tool in the PeopleSoft Financial Management System. The tool will monitor awards and payments to all primes and subcontractors working on Federal contracts. The primes and sub-contractors will now be able to enter the amount and date of all payments received through the automated supplier portal. We have completed training for WMATA staff, and anticipate completing training for prime and sub-contractors by March 31, 2018. 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 has 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 Input - Scheduled Completion February 28, 2018**

- Prime contractor and subcontractor information for contracts awarded from October 1, 2016 through September 30, 2017 has been uploaded into PeopleSoft by the Office of Procurement and Materials (PRMT).
- Three procurement staff, four contractor staff and one Small Business Programs Office staff have received training on how to upload the names of subcontractors, the contract number, DBE goal percentage, DBE award amounts invoiced during this timeframe.
- The Small Business Performance Analyst, who started in the position on January 22, 2018, has received training and is monitoring the upload of the prompt payment information into PeopleSoft. The Performance Analyst will be responsible for overseeing and monitoring the input of this information in PeopleSoft; preparing monthly reports on prompt payments invoiced; and generating the new award data for the FTA semi-annual report.
- The first phase of subcontractor information has been uploaded. The second phase of loading prompt payment data will be completed by February 28, 2018. A complete report analysis is expected to be completed by March 8, 2018.

### **3) Train Contractors on Prompt Payment - Scheduled Completion March 31, 2018**

- PRMT has completed the prompt payment training course. All prime and subcontractors will be scheduled to attend mandatory training the last week of February and the first week of March.
- Language will be added to the contracts with DBE goals regarding this reporting requirement and WMATA will offer to train both the prime and the subcontractor.

### **4) Hire New Full-time Staff/Contractors - Scheduled Completion March 31, 2018**

- Effective January 2, 2018, there are now four full-time contractors on-board. They have received training on the 49 CFR Part 26 and are uploading prompt payment information. After this information is uploaded, they will be assigned to review contract compliance and the required reporting documentation.
- The Small Business Performance Analyst started in the position on January 22, 2018.
- The SBPO has conducted interviews for the Senior Small Business Auditor, Small Business Auditor, and Small Business Analyst positions. Offers will be made by early March.
- WMATA will meet the targeted date.

### **5) Outreach Plan - Scheduled Completion April 30, 2018**

WMATA is in the process of developing the communication plan. A contractor, PMCA, has been hired to assist with drafting the plan. WMATA has implemented the following to ensure communication in the interim with internal and external customers.

- A DBE Hotline has been created to respond to questions from the applicants applying for certification. There is a 24 hour response time.
- All of the FFY2017 applications have been completed.
- SBPO attends every pre-bid conference to explain the application process and give assistance to the vendors present.
- A listing of business conferences to be held in the District of Columbia is being developed for WMATA to attend to encourage vendors to apply for DBE certification.
- Discussions have been held with the District Department of Transportation (DDOT) concerning the development of the Unified Directory with WMATA.

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

WMATA held a meeting with DDOT on January 19, 2018 to review the MOU.

- Each certifying partner will certify only those firms located in the District of Columbia. Firms in the transit zone (Prince Georges County, Montgomery County, Arlington, Alexandria and Loudon County) must be certified in their home states of Maryland and Virginia before seeking certification with the District of Columbia Unified Certification Program (DCUCP). This will reduce the number of certifications to be processed.

- Both DDOT and WMATA will process and approve applications for firms in the District of Columbia.
- The DCUCP oversight committee must approve all denials, suspensions and de-certifications.
- DDOT will send any additional comments on the MOU to WMATA. Once received, these changes if any will be vetted through Counsel.
- The MOU is on track to being finalized.
- Counsel is reviewing the SOPs for the District of Columbia Unified Certification Program (DCUCP).

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

WMATA received the initial drafts for 26 SOPs. Comments were returned to the contractor for additional substantive changes. SBPO determined several of the SOPs should be combined. The SOPs will be compiled into a Handbook/User Manual.

- The SOPs are divided into three areas: the certification process, goal setting, and compliance. This follows the process established in 49 CFR Part 26 which further explains and interprets compliance requirements. For example: the procedures will include sections on reviewing Personal Net-Worth Statements and, when to check FTA's DBE de-certification database.
- A second review of the SOPs will be completed by SBPO prior to Counsel review for legal sufficiency.
- All SOPs and the Handbook/User Manual will be completed by the scheduled date.

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## **FUNDING IMPACT:**

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Suzette Moore
Project Department/Office:	IBOP/PRMT

## **TIMELINE:**

<b>Previous Actions</b>	<p>October 2017 - DBE program update to Board Administration Committee</p> <p>December 2017 - Implementation of the Prompt Payment tool for vendor payment</p>
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<b>Anticipated actions after presentation</b>	March 2018 - Completion of Standard Operating Procedures
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**RECOMMENDATION:**

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



## **PRIME CONTRACTS AWARDED TO DBEs**

**APRIL 2017 – SEPTEMBER 2017**

<b>DBEs</b>	<b># OF CONTRACTS AWARDED</b>	<b>TOTAL AMOUNT OF AWARD(S)</b>
Advanced Digital Systems, Inc.	4	\$ 956,933.50
Biswas Information Technology Solutions	1	\$ 225,400.00
Bullock Construction Inc	2	\$ 2,022,000.00
Compass Solutions LLC	1	\$ 222,720.00
Copper River Information Technology	2	\$ 1,482,551.00
DJB Contracting	1	\$ 1,694,570.00
eVigilant Security	3	\$ 2,851,485.21
G.W. Peoples Contracting Co., Inc.	5	\$ 6,987,588.30
Hands On, LLC	1	\$ 341,325.00
Intellect Corp	1	\$ 300,000.11
JM Fiber Optics, Inc.	1	\$ 1,158,888.35
Limbic Systems Inc	3	\$ 592,080.00
M & M Welding & Fabricators	1	\$ 7,398,000.00
Orion Management, LLC	1	\$ 10,428.83
Powersolv, Inc	1	\$ 163,560.00
Russell Corosion Consultants LLC	2	\$ 609,625.73
SFA	41	\$ 8,862,083.82
Sharp And Company	2	\$ 124,561.58
V Group Inc.	3	\$ 689,382.00



Washington Metropolitan Area Transit Authority

# Small Business Program Office Update

Business Oversight Committee

March 8, 2018





# Purpose

Provide the Committee with requested monthly progress report 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	02/28/18	<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 - Report analysis</li></ul>
3. Training	03/31/18	<ul style="list-style-type: none"><li>▪ PPT Training developed for Primes and Subcontractors</li><li>▪ Mandatory training began on 02/28/18 for all contractors</li></ul>
4. Hire Staff and Contractors	03/31/18	<ul style="list-style-type: none"><li>▪ Four full-time contractors on-board 01/02/18</li><li>▪ One Performance Analyst on-board 01/22/18</li><li>▪ Interviews completed for five staff positions</li></ul>



# DBE Program Improvement Update

	Timeline	Description
5. Outreach Plan	04/30/18	<ul style="list-style-type: none"><li>▪ Consultant has been hired to draft plan; currently in development</li></ul>
6. Memorandum of Understanding (MOU)	05/31/18	<ul style="list-style-type: none"><li>▪ Reviewed MOU with DDOT; vetted through WMATA's General Counsel's Office</li><li>▪ DDOT and WMATA will process and approve applications for DC firms</li></ul>
7. Standard Operating Procedures (SOPs)	07/31/18	<ul style="list-style-type: none"><li>▪ Departmental SOPs drafted and currently in review</li><li>▪ SOPs cover three key areas: certification process, goal setting and compliance</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	February 16, 2018	Phase I Completed /Phase II Underway – On Track
3. Train contractors on prompt payment tool	March 31, 2018	System Changes Completed - On Track Training Started – 2/28/18
4. Hire new full-time staff/contractors	March 31, 2018	Interviews Completed
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



# Business Oversight Communication Follow-up

- October 17, 2017
  - Automation Advancement
  - Enhance Communication
- February 18, 2017
  - DBE Primes Contract Awards
  - DBE Goal Waiver Requested
    - For FFY2017, 4 waivers granted