



Executive Committee
Information Item III-B

December 9, 2021

Small Business
Program Update

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202326

Resolution:
☐ Yes ☒ No

TITLE:

Small Business Programs Office (SBPO) Update

PRESENTATION SUMMARY:

Staff will provide a progress report on the establishment of the Women and Minority Business Enterprise (WMBE) Program, focusing on the Small Business Program (SBP) and the Micro-Business Program (MBP) components of the WMBE Program. The WMBE Program is intended to enable small, minority and women-owned businesses to compete, on a level playing field, for WMATA's non-federally funded contracting opportunities, either directly as a prime contractor or indirectly through subcontracting.

PURPOSE:

To update the Board on the implementation of the WMBE Program.

DESCRIPTION:

WMATA currently has three programs committed to ensuring small, minority and women-owned businesses have access to contracting opportunities with WMATA. WMATA's Disadvantaged Business Enterprise (DBE) Program and Small Business Enterprise (SBE) Program apply to federally funded contracting opportunities. WMATA's WMBE Program applies to non-federally funded contracting opportunities.

Key Highlights:

The WMBE Program is WMATA's newest socioeconomic program funded by operating and local capital dollars. The design and implementation of the WMBE Program is a priority initiative for WMATA because it supports WMATA's contribution to the region's success. The WMBE Program, which is not mandated by regulation, is intended to maximize prime and subcontracting activities, increase the pool of certified businesses, and create new contracting relationships between small and minority businesses.

The WMBE Program has three components: (1) a component that will enable minority and women-owned business participation goals for eligible contracting opportunities; (2) a race-neutral small-business set-aside component offering contracting opportunities between \$50,000 and \$1,000,000 for local

small businesses; and (3) a race-neutral micro-business set-aside component offering contracting opportunities up to \$50,000 for very small local businesses.

With the help of consultant support, the SBPO implemented the small-business and micro-business components of the WMBE Program on November 1, 2021. Some of the ongoing activities to strengthen the WMBE Program include:

- Implementing internal and external marketing campaigns to small businesses, local organizations, government entities, and WMATA employees, as well as the development of governance documents and training initiatives
- Increasing the number of certified businesses in the new programs by including small businesses already certified by WMATA's other programs
- Developing training initiatives for internal and external customers
- Creating a policy for targeting credit card purchases

The SBPO continues to develop the minority and women-owned component of the WMBE Program. The SBPO retained a third party to conduct a disparity study to examine the availability and utilization of minority- and women-owned businesses under WMATA's procurement and contracting activities. The SBPO expects to receive the study results and outcome in or about first quarter 2022. The study will help the SBPO determine whether there is a disparity in WMATA's contracting with minority- and women-owned businesses. If there is a disparity, the study will help inform the design and implementation of the minority and women-owned business component of the WMBE Program.

Businesses wanting to participate in the WMBE Program will be required to apply and be processed to confirm eligibility in each certified program area. The SBPO is engaged in an ongoing effort to validate and verify businesses for participation in the WMBE Program. It is estimated that approximately 80 percent of certified DBEs in WMATA's database will qualify for the WMBE component of the Program.

Best practices, which WMATA implemented for the federal DBE Program, will also be followed for the WMBE Program, including the minority- and women-owned business component as it is developed, such as:

- Creating a new WMBE certification process, similar to the District of Columbia Unified Certification Program (DCUCP) process. The WMATA Certification Oversight Committee (WCOC) has oversight over all matters involving initial certifications, denials, suspensions, and decertification.
- Utilizing the Procurement Review Committee (PRC) to analyze and review all procurements for potential goal determinations on a contract-by-contract basis.

- Modifying the Contract Lifecycle Management (CLM) module in Peoplesoft to auto-calculate the WMBE Goal determination, similar to CLM's automation of the DBE Goal determination and attainment process.
- Incorporating the new WMBE Program into the Socioeconomic Outreach Program to ensure full outreach to eligible businesses.

The SBPO will provide administration and oversight of the WMBE Program.

Background and History:

On October 20, 2005, the Board approved the incorporation of the Small Business and Local Preference Program (SBLPP) into the Office of Procurement and Materials' standard procurement practices (Res. 2005-45). The SBLPP provided small businesses located within the District of Columbia, the State of Maryland, and the Commonwealth of Virginia an opportunity to compete for non-federally funded procurements and contracting opportunities below the simplified acquisition threshold in the Federal Acquisition Regulations. The SBLPP was not as impactful as originally intended, and therefore on February 25, 2021, the Board, in Resolution 2021-06, authorized the implementation of the WMBE Program to replace the SBLPP.

Discussion:

One of WMATA's goals is to ensure diversity, equity and inclusion by providing support and contracting opportunities for the local community. The dedicated funding allocated by the District of Columbia, the State of Maryland, and the Commonwealth of Virginia is a major step towards achieving this goal in our procurement processes.

WMATA is committed to increasing non-federal contracting opportunities for minority, women-owned, and small businesses through the new WMBE Program. The WMBE Program initiatives broaden the reach of WMATA's commitment to small, women-owned and minority businesses by allowing for the application of subcontracting goals (WMBE component) and prime contract set-asides (SBP and MBP components) to both large and small locally-funded projects and purchases. To ensure the success of the programs internally, all WMATA departments that utilize non-federal contract funding must comply with WMBE Program requirements.

As is the case with the federal DBE Program, WMBE subcontracting goals will be established based on the specific scope of work to be performed under the contract and the number or availability of certified WMBEs to do the work. The WMBE component will mirror WMATA's existing DBE program with respect to processes and procedures, but there will be separate procurement forms and solicitation language to distinguish DBE vs. WMBE procurement submittals and contract compliance requirements. These practices have been instrumental in the success of the DBE federal program over the past five

years, bringing the overall DBE achievement from 16 percent in 2015 to the current 25 percent.

Initially, WMATA will not set an over-all aspirational goal percentage as existing procurement/business availability data is not sufficient to meet the requirements for establishing that goal. Data collection through technology and procedures will be ongoing, and reports will be developed to provide results to the Board similar to the DBE program information.

The SBP component is a race-neutral, local business-focused set-aside component of the WMBE Program. Any small business that is headquartered in the District of Columbia, the State of Maryland, or the Commonwealth of Virginia that meets the program's business size criteria can be considered for small business certification by WMATA. The SBP size caps are smaller than those established for the WMBE component of the program. Under the SBP, a small business set-aside is mandatory if the contract value is at least \$50,000 but not more than \$1,000,000 when a minimum of three certified small businesses can be identified. The contract value may exceed this amount at the discretion of the Chief Procurement Officer.

The MBP component is intended to target very small businesses. The MBP set-aside is mandatory for contracts up to \$50,000 when at least three certified micro-businesses can be identified.

FUNDING IMPACT:

None. This is an update to the Board.

Project Manager:	None
Project Department/Office:	Office of Procurement and Materials/Small Business Programs Office

TIMELINE:

Previous Actions	N/A
Anticipated actions after presentation	The activities noted below are ongoing initiatives to support the success of all WMATA socioeconomic programs.

Equity Initiatives Strategies:

- Partnerships with DC Mayor's Office and Conference of Minority Transportation Officials (COMTO) to distribute information and participate in outreach events in the small business communities
- Utilization of the SBPO newsletter to inform and educate the small business communities and organizations that support small business growth and participation

Expanded Outreach Program:

- “Meet the Primes” Series
- “Making Equity a Business Partnership”
- External Business Surveys
- Small Business Focus Groups

Disparity Study Review:

- The Disparity Study analysis will determine if inequities exist in public procurement and contracting that adversely affect small minority and women-owned businesses
- Estimated completion is first quarter of 2022

RECOMMENDATION:

Informational update to the Board. No recommendations at this time.

Small Business Programs Office Women and Minority Business Enterprise Program Update

T. Suzette Moore
VP/Chief Procurement Officer
December 9, 2021



Purpose

Update Board on establishment of WMATA's Women and Minority Business Enterprise (WMBE) Program

Background

- Management priority initiative
- Supports WMATA's contribution to the region's success
- Funded with dedicated capital and operating funding
- Consultant facilitated framework; staff will begin implementing
- Patterned after WMATA's successful federal DBE Program, which increased overall DBE achievement of 16% in 2015 to the current 25%

Three components of the WMBE Program

- One component enabling women- and minority-owned business participation goals (WMBE) (will be informed by results of pending disparity study)
- Two components enabling race-neutral set-asides
 - Small Business Program (SBP)
 - Micro Business Program (MBP)

Set-Aside Program Component

Small Business Program (SBP)

- Eligible small business must be headquartered in MD, DC or VA
- Mandatory if the contract value is at least \$50,000 but no more than \$1,000,000 when a minimum of three certified small businesses can be identified

Set-Aside Program Component

Micro Business Program (MBP)

- Targets very small businesses
- Mandatory for contracts up to \$50,000 when at least three certified micro businesses can be identified

WMBE Program Progress

SBP and MBP components of the WMBE Program implemented on November 1, 2021

Ongoing activities:

- Implementing internal and external marketing campaign
- Increasing the pool of certified businesses into the new program components
- Developing training initiatives for internal and external customers
- Creating a policy for targeting credit card purchases

Certification

- Approximately 80 percent of certified DBEs in WMATA's database qualify for the WMBE component of this program
- Businesses participating in the program need to apply and be processed to confirm eligibility in each certified program area
- A review of each firm's financial documentation is required due to each program component having different criteria and to meet audit scrutiny of the program

Oversight Tools

- Procurement Review Committee (PRC)
- Contract Lifecycle Management (CLM)/Peoplesoft System
- WMATA Certification Oversight Committee (WCOC)
- Socioeconomic Outreach Program

Ongoing Initiatives

- Equity Initiatives Strategies
 - Partnerships with DC Mayor's Office and Conference of Minority Transportation Officials (COMTO)
 - Newsletter
- Expanded outreach program
 - Meet the Primes
 - External Business Surveys
 - Small Business Focus Groups
 - Making Equity a Business Partnership
- Disparity Study Review
 - Estimated completion is first quarter 2022