



**Businss Oversight Committee**

**Information Item IV-A**

**May 10, 2018**

**Small Business Program  
Update**

Washington Metropolitan Area Transit Authority

## Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:  
201984

Resolution:  
☐ Yes ☒ No

### TITLE:

Small Business Program Office Update

### PRESENTATION SUMMARY:

The Office of Internal Business Operations (IBOP), Office of Procurement and Materials (PRMT), and the 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 has verified the data on contracts eligible for reimbursement. To ensure the DBE goal achievement is accurately reported, staff continues to collect data on all applicable prime and subcontracts on all tiers.
- From October 1, 2016 through March 30, 2017, WMATA awarded \$199,805,087 in all purchase orders with government clauses; and \$30,830,023 (15.43%) of that amount was awarded to DBEs (prime and subcontractors). From April 1, 2017 through September 30, 2017, a total of \$183,351,144 was awarded to all prime contractors, of the that amount \$53,217,946 was awarded to DBEs (prime and subcontractors). The WMATA FFY2017 DBE goal was 22%, of that 21.94% was attained.
- 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.
- The process of uploading the prompt payment information into PeopleSoft has been completed and now in the process of finalizing the FFY2017 DBE semi-annual FTA report. A total of \$36,553,492 was paid to all prime contractors, and \$18,604,860 of that amount was paid to DBEs for FFY2017.

- Corrective actions have been initiated to address the DBE program deficiencies identified by the WMATA Office of Inspector General (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 had issued a conditional offer of employment to a second candidate. The candidate also was not successful in completing WMATA's criminal background check. Consequently WMATA has readvertised this position. 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 required 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% on its DBE goal during the first six months of FFY 2017. As detailed in the Discussion section, staff has collected the additional data and has now determined that it achieved 15.43% on its DBE goal during the first six months of FFY 2017.

### **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 FFY 2017.

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. The WMATA FFY2017 DBE goal was 22%, of that 21.94% was attained. A revised semi-annual report will be submitted to reflect the updated data.

### **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 is allowing 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. WMATA trained both the prime and the subcontractor on the use of the tool.

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

- Five of the six non-supervisory staff have been hired. The remaining supervisory position, Program Manager, is in recruitment.
- Ongoing training, as needed.

**5) Outreach Plan - Completed**

- DBE Hotline
- Training Webinars for Prime and Subcontractors
- Direct Solicitations
- Participation in Jurisdictional Outreach Events
- Develop a directory of community agencies, chambers, and other related organizations for communications (email blasts and program marketing)
- Organize WMATA hosted events

- Establish a team of representatives that collaborate to represent WMATA at hosting, participating, and attendance events

**6) Revise Memorandum of Understanding (MOU) and Standard Operating Procedures (SOPs) with District Department of DDOT - Completed**

- On April 30, 2018, WMATA and DDOT met and agreed in principle to the terms of the revised MOU. Once the MOU is signed by both parties, the document will be sent to FTA for its review and concurrence.

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

- SOPs are in process of being revised to ensure compliance with 49 CFR Part 26.
- Training manual in development

**FUNDING IMPACT:**

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	T. 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 payments</p> <p>February 2018 - Data Upload</p> <p>March 2018 - Prime and Subcontractor Training</p> <p>March 2018 - SBPO Staff Personnel Hired</p> <p>April 2018 - Outreach Plan</p> <p>April 2018 - Memorandum of Understanding (MOU)</p>
<b>Anticipated actions after presentation</b>	<p>July 2018 - SBPO Staff Handbook/User Manual</p>

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**RECOMMENDATION:**

Continue with implementation of SBPO program.

# Small Business Programs Office Update

Business Oversight Committee

T. Suzette Moore  
05/10/2018

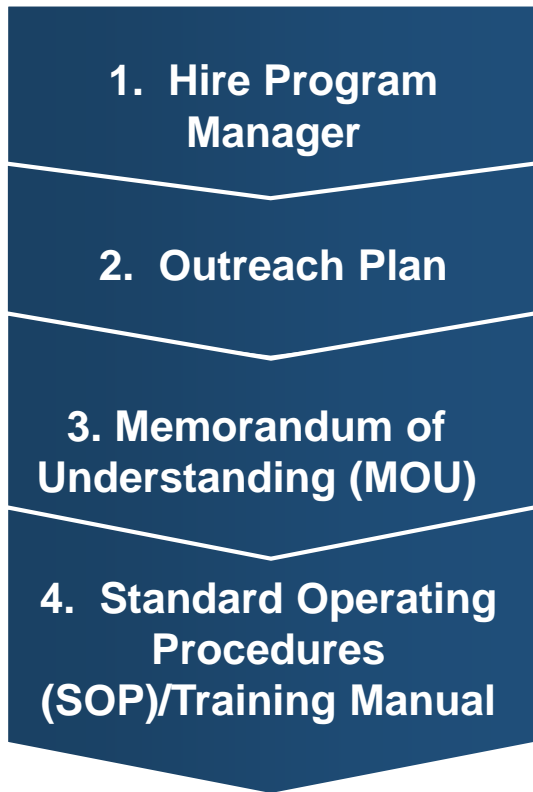


# Purpose

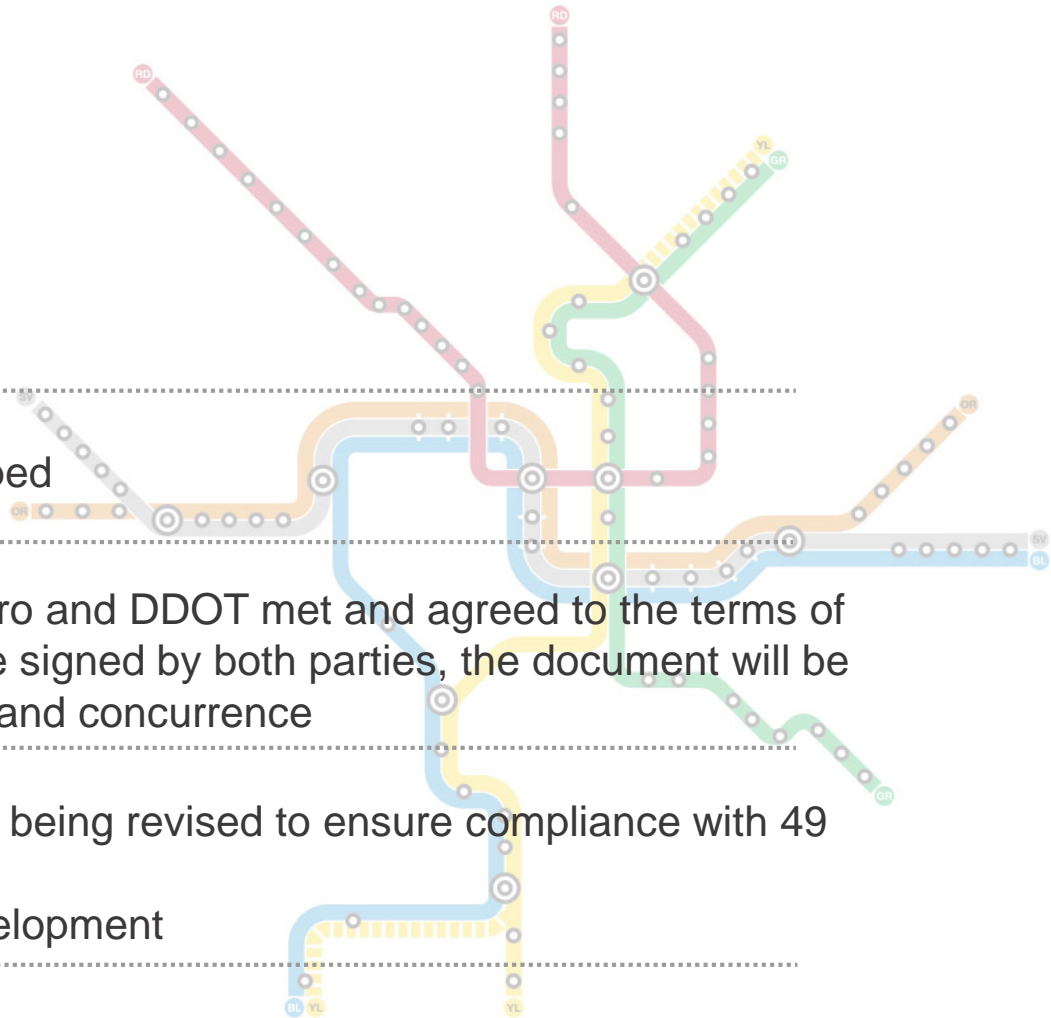
- Provide the Committee with an update on:
  - Small Business Programs Office Hiring
  - Outreach Plan
  - Memorandum of Understanding (MOU)
  - Standard Operating Procedures (SOPs)/Training Manual
  - Disadvantaged Business Enterprise (DBE) goal of 22%



# DBE Program Improvement



Timeline	Description
04/30/18	<ul style="list-style-type: none"><li>▪ In recruitment</li></ul>
04/30/18	<ul style="list-style-type: none"><li>▪ Outreach Plan developed</li></ul>
05/31/18	<ul style="list-style-type: none"><li>▪ On April 30, 2018, Metro and DDOT met and agreed to the terms of the revised MOU; once signed by both parties, the document will be sent to FTA for review and concurrence</li></ul>
07/31/18	<ul style="list-style-type: none"><li>▪ SOPs are in process of being revised to ensure compliance with 49 CFR Part 26</li><li>▪ Training Manual in development</li></ul>



# DBE Program Improvement Summary

Program Improvement Action	Scheduled Completion Date	Status
1. Hire Program Manager	April 30, 2018	In Recruitment
2. Outreach Plan	April 30, 2018	Developed
3. Memorandum of Understanding (MOU)	May 31, 2018	On April 30, 2018, met with DDOT and agreed in principle to the terms of the revised MOU. Once the MOU is signed by both parties, the document will be sent to FTA for its review and concurrence.
4. Standard Operating Procedures (SOPs)/Training Manual	July 31, 2018	SOPs in process of being revised Training Manual In Development – On Track

# DBE Outreach Program



- DBE Hotline
- Training webinars for Prime and Subcontractors
- Direct solicitations
- Participation in jurisdictional outreach events
- Organize Metro outreach events

# FY2017 DBE Awards

OCTOBER 2016-MARCH 2017	Purchase Orders Awarded
All Prime Contractors	\$199,805,087
DBE Prime Contractors	\$12,225,163
DBE Sub Contractors	\$18,604,860
DBE % Total	15.43%
APRIL 2017-SEPTEMBER 2017	Purchase Orders Awarded
All Prime Contractors	\$183,351,144
DBE Prime Contractors	\$36,693,183
DBE Sub Contractors	\$16,524,763
DBE % Total	29.03%

# FFY2017 DBE Goal Attainment

Total Federal Dollars	\$383,156,232
DBE Awards	\$84,065,970
DBE % Total	21.94%

