



Washington Metropolitan Area Transit Authority

## **STANDARD OPERATING PROCEDURE**

### **Procedure or Instruction Number: SOP #21-11**

*The Washington Metropolitan Area Transit Authority Certification Program Vendor Certification  
(Non-Federal)*

January 5, 2023

### Revision History

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## 1 Scope

- 1.1 WMATA's Small Business Programs Office is responsible for implementing the procedures outlined in this SOP which covers certification for non-federally funded Programs. Businesses interested in non-federal Program certification have options to certify as the following:

- 1) A Minority Business Enterprise (MBE);
- 2) A Small Business (SBP); and/or
- 3) A Micro-business (MBP).

All businesses requesting certification under these Programs must be for-profit and must be independently owned by a United States (U.S.) citizen or legally admitted resident. Each certification option has other specific eligibility requirements:

- 1) **MBE:** Eligibility requirements are identical to the Disadvantaged Business Enterprise (DBE) program except that businesses headquartered in the District of Columbia, State of Maryland, and Commonwealth of Virginia ("DMV") are not required to have home state certification before applying for WMATA's MBE program.

Under WMATA's DBE program, Maryland and Virginia must have home state certification to be considered. District of Columbia headquartered businesses are able to be certified through the District Department of Transportation (DDOT)/District of Columbia Unified Certification Program (DCUCP) reciprocity agreement with WMATA.

- 2) **SBP:** Only businesses whose headquarters have been verified to be located within the DMV may participate in the SBP. There are no out-of-state exceptions. Personal net worth caps do not apply to SBP or MBP applicants. The business size caps for SBP are smaller than those used for MBE as follows:

- a. Businesses must have no more than 50 employees, AND,
- b. 3-year average gross receipts may not exceed \$10 million.

- 3) **MBP:** The SBP business location restrictions also apply to micro-business applicants; only DMV-verified businesses can participate. The business size caps for MBP are as follows:

- a. Businesses must have no more than 25 employees, AND,
- b. 3-year average gross receipts may not exceed \$3 million.

Businesses approved for one or more certifications receive a written confirmation from the Small Business Programs Office in the form of a letter which includes the certification effective date, re-application requirements, Notice of Change requirements, and a list of the North American Industry Classification System (NAICS) codes that correspond to the materials/services/products covered under each approved certification. The WMATA Certification Oversight Committee (WCOC) meets

as often as necessary but at least once a month to review MBE/SBP/MBP certification activity.

For each newly certified business, a certification record is created and posted for public view in the DCUCP Directory.

Businesses denied one or more certifications by WMATA are entitled to an informal hearing conducted by the WCOC which is made up of WMATA staff and other persons outside of WMATA not involved in the initial certification determination. Businesses may present material facts or circumstances that are different from those used to make the initial decision. Final decisions will be made within 30 days of the hearing and are not subject to further appeal.

If a firm applying for MBE has been denied or has been decertified by another jurisdiction, WMATA reserves the right to deny MBE certification depending on the circumstances and details of the previous denial/decertification.

- 1.2 This document has been created in compliance with the Quality Management System Plan (QMSP) and Policy Instructions 1.1 (Document Governance and Hierarchy) and 6.1 (Records Management).

## 2 Purpose

The purpose of this Standard Operating Procedure (SOP) is to provide instruction on how WMATA will evaluate and approve/deny certification applications for non-federal Programs using the Washington Metropolitan Area Transit Authority's (WMATA) Contract Lifecycle Management (CLM) System.

## 3 Definitions

- 3.1 **Certification Intake Process:** Verification of documentation submitted by the small business including conducting an onsite review to verify the applicant's primary business location, personnel, operations, and to substantiate or clarify information and documentation contained in the applicant file as well as, to review business and financial records.
- 3.2 **Contract Lifecycle Management (CLM):** A sourcing and contract management system that is a centralized electronic document repository for all Washington Metropolitan Area Transit Authority (WMATA) sourcing and contracting activities. The system automates the creation, execution, and management of WMATA contractual agreements.
- 3.3 **Combined MBE/SBP/MBP Certification Application:** All applicants for MBE, SBP and MBP certification must complete and submit this online certification application with all other required supporting documentation and, if requested, must participate in an on-site interview and office/workplace inspection. MBE applicants headquartered in the DMV that are already certified through their home jurisdiction are not required

- to submit the application but may instead submit their current certification letter and a completed Personal Net Worth (PNW) Statement in order to be considered for MBE certification.
- 3.4 **Disadvantaged Business Enterprise (DBE):** A for-profit Small Business Concern that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51% of the stock is owned by one or more such individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.
- 3.5 **Disadvantaged Business Enterprise Directory:** Referred to as the DCUCP Directory; a complete listing of all contractors certified by the District of Columbia Unified Certification Program. All WCP approved businesses are also listed in the Directory, which is available to the public on [wmata.com](http://wmata.com).
- 3.6 **Minority Business Enterprise (MBE):** A business must be at least 51% owned and controlled by one or more socially and economically disadvantaged individuals. Under current state law, an individual is presumed to be socially and economically disadvantaged if that individual belongs to one of the following groups: African Americans, Hispanic Americans, Asian Pacific Americans, Subcontinent Asian Americans, Native Americans, and Women. Persons who own and control their business but are not members of one of the above groups, also may be eligible for MBE certification if they establish their social and economic disadvantage.
- 3.7 **North American Industry Classification System (NAICS):** A classification of business establishments by type of economic activity (process of production). It is used by government and businesses in Canada, Mexico, and the United States of America.
- 3.8 **Small Business:** A for-profit business entity that is owned by a United States (U.S.) citizen or legally admitted resident and meets all of the small business size and location requirements as outlined in WMATA's Non-Federal Policies and Procedures Manual.
- 3.9 **Personal Net Worth (PNW):** The net assets of an individual remaining after total liabilities are deducted. An individual's personal net worth does not include the individual's equity in his or her primary residence. For purposes of Metro's Disadvantaged Business Enterprise (DBE)/Minority Business Enterprise (MBE) Program certification, personal net worth is set at \$1.32 million and applies to the majority (51%) owners of businesses applying for DBE/MBE certification. An individual's net worth is simply the value that is left after subtracting liabilities from assets. It only includes the DBE's/MBE's own share of assets held separately, jointly, or as community property with the individual's spouse and excludes a) an individual's ownership interest in the applicant firm; b) an individual's equity in his or her primary residence; and c) Federal Tax and penalties, if applicable, that would accrue if

retirement savings or investments (e.g., pension plans, Individual Retirement Accounts, 401(k) accounts, etc.) were distributed at the present time.

- 3.10 **Presumption of Disadvantage:** According to federal guidelines, it is rebuttably presumed that citizens of the U.S. (or lawfully admitted permanent residents) who are women, African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, or other minorities found to be disadvantaged by the U.S. Small Business Administration (SBA), are socially and economically disadvantaged individuals.
- 3.11 **WMATA Certification Oversight Committee (WCOC):** A committee consisting of WMATA staff and external individuals not involved in the initial certification decision; the committee will meet on an as needed basis to review certification/decertification appeal documentation and to make a determination regarding such. The WCOC decision is not subject to further appeal.

#### 4 Acronyms

- 4.1 **CLM** – Contract Lifecycle Management System
- 4.2 **DBE** – Disadvantaged Business Enterprise
- 4.3 **DCUCP** - District of Columbia Unified Certification Program
- 4.4 **DDOT** - District Department of Transportation
- 4.5 **DMV** – District of Columbia, State of Maryland and Commonwealth of Virginia
- 4.6 **MBE** – Minority Business Enterprise
- 4.7 **MBP** – Micro-Business Program
- 4.8 **NAICS** – North American Industry Classification System
- 4.9 **PNW** – Personal Net Worth
- 4.10 **QMSP** - Quality Management System Plan
- 4.11 **SBA** – Small Business Administration
- 4.12 **SBAN** - Small Business Analyst
- 4.13 **SBP** – Small Business
- 4.14 **SOP** – Standard Operating Procedure
- 4.15 **U.S.** – United States
- 4.16 **WCOC** – WMATA Certification Oversight Committee

#### 4.17 **WMATA** – Washington Metropolitan Area Transit Authority

### 5 Responsibilities

5.1 The **Small Business Programs Office Director** is responsible for the following:

- (a) Developing a monitoring system and enforcement mechanism to ensure that only businesses legitimately qualified to participate are approved for certification; and
- (b) Ensuring that approved businesses have their certification record created and uploaded into the DCUCP Directory and provide for prompt updates based on changes to a business' eligibility over the certification term.

5.2 The **Small Business Programs Office Manager** is responsible for the following:

- (a) Ensuring all direct reports are aware of all procedures referenced in this SOP; and
- (b) Developing and reviewing all training requirements for the implementation of this SOP.

5.3 The **Small Business Analyst** is responsible for completing the action steps outlined in Section 6 of this SOP that describe the process, evaluation and final recommendations for MBE/SBP/MBP certifications.

### 6 Process Steps

#### 6.1 **CERTIFICATION**

The following subsections set forth the Small Business Program Office certification procedures in accordance with the WCP Policies and Procedures Manual (Non-Federal).

#### 6.2 **APPLICATION ASSIGNMENT**

Once a firm submits a certification application through the WMATA Supplier Portal, it is the responsibility of the Small Business Analyst (SBAN) to monitor the Small Business dashboard on a daily basis to determine if any new applications have been received, conduct a preliminary review of the application materials, and assign a SBAN to the applicant company.

#### 6.3 **APPLICATION REVIEW PROCESS**

6.3.1 Once assigned, the SBAN shall perform the following steps to process a WCP application:



- 6.3.1.1 For MBE applicants, the SBAN will first determine whether the firm has been denied DBE/MBE certification or has been decertified as a DBE/MBE in any other jurisdiction.
- 6.3.1.2 Conduct a preliminary review of information contained in the application and supporting documents submitted by the firm to verify that it meets all of the general certification standards associated with the requested certification program(s). Preliminary review may take up to ten (10) days.
- 6.3.1.3 Each applicant shall be advised in writing within thirty (30) days from receipt of the application whether the application is complete and suitable for evaluation and, if not, what additional information or action is required.
- 6.3.1.4 If the application is incomplete or required documentation is missing, send an initial email to the firm listing the specific missing/incomplete information and request a response within ten (10) business days.

- **SBAN NOTE:** Click the Comments & Attachments link and annotate in the Comments Box that an email requesting missing documentation has been sent to the applicant. The note shall include the date the email was sent.

- 6.3.2 Following the first ten (10) business days, if the missing information is not submitted, send a second email notifying the firm that this is a second request and a response must be received within the next ten (10) business days or the application will be cancelled.
- 6.3.3 Following the second ten (10) business day notice, if the missing information has not been submitted, send a Cancellation Letter to the applicant, identifying its failure to submit all documents requested as the reason for cancellation.
- 6.3.4 If the requested information has been received and the application packet is complete, the SBAN proceeds to the document assessment procedure below.

#### 6.4 **DOCUMENTATION REVIEW**

If, after reviewing the application and documentation for content, there is still a need for clarification or corrections, another email request should be sent to the firm. When all documents are in order and the initial assessment is completed, an on-site visit is scheduled.

#### 6.5 **ONSITE REVIEW**

The second phase of the Certification Intake Process entails conducting an onsite review to verify the applicant's primary business location, personnel, operations, and

to substantiate or clarify information and documentation contained in the applicant file as well as, to review business and financial records.

## 6.6 CERTIFICATION DETERMINATION

The following procedures detail the steps for development and submission of the certification Evaluation Report as well as the subsequent review and issuance of a determination.

### 6.6.1 EVALUATION REPORT

Once the applicant's complete file has been compiled and all documentation has been received and evaluated, within five (5) business days of completing the onsite review, the SBAN shall:

1. Draft a certification Evaluation Report which includes the proposed recommendation;
2. Present the Evaluation Report to the WCOC for a final determination; and
3. Businesses approved for one or more certifications will receive an electronic confirmation in the form of a certification letter.

### 6.6.2 HOME STATE CERTIFICATION

6.6.2.1 Home state status does not apply to SBP or MBP applications. If a firm's principal office location is not within the DMV, the firm is not eligible to participate in these two programs. DMV firms are subject to on-site inspections, interviews, etc., to verify the location of the principle place of business. The following factors will be used to make this determination:

1. the location where the individuals who manage the day-to-day operations spend most working hours;
2. the business address on official business/financial filings; and
3. the location where the business records are kept.

6.6.2.2 With the exception of firms headquartered within the DMV, all MBE applicants must have their respective valid home state DBE/MBE certification in order to apply for WMATA's MBE program.

DMV firms that have a current valid certification from their respective home state jurisdiction may submit a copy of the certification letter and the PNW Statement to complete the MBE application.

Information related to the home state certification and contained in the PNW Statement will be used to make the MBE certification decision.

### 6.6.3 INTERSTATE CERTIFICATION

Non-DMV (“out-of-state”) firms applying for MBE certification must submit a copy of the official home state letter of certification which shall include the DBE/MBE identification number, NAICS Codes authorized to use, and date of certification. The letter must be uploaded with the application and other required documentation. If the non-DMV firm indicates in the CLM electronic application that it is not certified in its home state, the business is not eligible for WMATA MBE certification unless the home state does not have an active DBE or MBE program, in which case the home state certification requirement is waived.

## 6.7 CERTIFICATION ELIGIBILITY STATUS

All WCP non-federal certifications (MBE, SBP and MBP) are valid for a 2-year period. During the certification term, the business is required to submit a “Notice of Change” Form whenever its size (average annual revenues and/or employees), primary business location, or other material certification qualifier changes significantly such that its certification eligibility may be impacted. The completed form must be sent to [SBPOHotline@wmata.com](mailto:SBPOHotline@wmata.com).

The Notice of Change Form, as received, is forwarded to the Small Business Programs Office certification staff where it is assigned to the SBAN that processed the initial application or if not available, to another SBAN. The SBAN reviews the information and documentation following the process described above and may request additional information as necessary. The SBAN will make a recommendation to the WCOC regarding whether the information provided renders the firm ineligible to remain certified.

WMATA reserves the right to decertify any business that fails to notify WMATA of a triggering event, or that fails to do so within 30 days of the event triggering the submission of the Notice of Change Form.

## 6.8 TWO-YEAR RECERTIFICATION

6.8.1 Electronic notifications of pending expiration and the need to recertify in order to maintain certification status will be sent ninety (90) days, sixty (60) days, and again thirty (30) days before certification expiration.

6.8.2 Every two (2) years on the anniversary of the date of the firm’s certification, the assigned SBAN shall perform a Two-Year Audit Report. The firm shall submit:

- No Change Affidavit (notarized)
- Most Recent Business Federal Tax Return

- Most Recent Personal Federal Tax Return
- Home State Certification Letter
- Two-Year Audit Report Form
- Personal Net Worth Statement

6.8.3 If the firm is located in the District of Columbia, an on-site visit must be conducted, and a Two-Year On-site form shall be completed. Once the report is finalized it must be approved by the Small Business Director. Once the approval is complete, a certification letter must be generated through CLM and sent to the applicant firm.

## 6.9 CERTIFICATION DENIALS

6.9.1 Certification denials and de-certifications are subject to an appeals process. Appeal requests must be submitted in writing to the Small Business Programs Office at SBPOHotline@wmata.com within fifteen (15) days of the date of WMATA's written certification determination. A decision will only be reconsidered if it is demonstrated that a material mistake of fact formed the basis for the decision, or if the decision was not in accordance with applicable law, regulation or policy.

6.9.2 If a timely appeal request is received by WMATA, within thirty (30) days of receipt, a date and time will be set for the proceeding. Either party to the proceeding may have counsel present, but it is not required.

## 7 Safety Management

The following steps shall be followed for conducting site visits if the firm is located in the District of Columbia as specified in section 6.8.3:

1. Attend all required safety related training to access WMATA property;
2. Ensure that safety equipment is properly maintained, updated as required and worn while conducting site visits; and
3. During site visits inform manager of date/times, locations, contracts/company name for site visit.

## 8 References

8.1 Policy Instruction 1.1 Document Governance and Hierarchy

8.2 Policy Instruction 6.1 Records Management

8.3 WCP Policies and Procedures Manual (Non-Federal)

## 9 \*Records

9.1 Certification Evaluation Report

9.2 Notice of Change Form

9.3 Personal Net Worth Statement

\*(These documents are located internally on the Office of Procurement and Materials' webpage under Knowledge Library, Resources and located in the Category marked, "Small Business Programs Office." They are also located externally on [wmata.com](http://wmata.com), Business, Small Business Programs Office, in the section marked, "Resources".)

**10 Appendices, Attachments and/or Exhibits**

N/A

## 11 Approvals

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*Controlled Document* I hereby state that I have found no errors of this controlled quality document, and thus the document is ready for release

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### *Content Approved*

Name T. Suzette Moore, CPPO, CPPB, NIGP-CPP Title: Chief Procurement Officer

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Name Nicole Brewer Title: Senior Manager, Policy, Training and Compliance

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Date