

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

Action  Information

MEAD Number:  
202193

Resolution:  
 Yes  No

**TITLE:**

Small Business Program Office Update

**PRESENTATION SUMMARY:**

The Office of Internal Business Operations, Office of Procurement and Materials, Small Business Programs Office (SBPO) is updating the Board of Directors on the Disadvantaged Business Enterprise (DBE) Program and providing information on the implementation of a Minority Business Enterprise (MBE) Program.

**PURPOSE:**

To provide an overview and status report of Metro's DBE and MBE programs, including next steps and opportunities for growth.

**DESCRIPTION:**

~~Currently, WMATA has three socio-economic programs: (1) Disadvantaged Business Enterprise (DBE) Program, a federally funded program established pursuant to 49 CFR Part 26; (2) Small Business Enterprise (SBE) Program is a federally funded program that is part of the DBE Program; and (3) Small Business and Local Preference Program (SBLPP) is a program established by the Board of Directors funded by the operations budget up to \$150,000.

In 2018, Maryland, Virginia, and the District of Columbia provided WMATA with a dedicated funding source for non-federal capital projects. Prior to dedicated funding, focus had been the DBE program (federally required). The MBE program seeks to encourage participation by minority-owned businesses as Metro invests dedicated capital funding.

An MBE program is not required by federal or local jurisdictions, but is a good business practice. Implementation of the Minority Business Enterprise (MBE) Program will ensure that socially and economically-disadvantaged small business owners are included in WMATA procurement and contracting opportunities. The MBE program will utilize local procurement spending power to connect both small and local businesses with contracting opportunities that will drive small and local business creation, growth, and retention.

**Key Highlights:**

In June 2018, the Federal Transit Administration (FTA), which has oversight of WMATA's DBE program, conducted an enhanced review of the DBE Program. FTA issued 30 deficiencies concerning the program. WMATA provided corrective actions for all 30 deficiencies, of which twenty-five of the deficiencies have been closed. PRMT implemented a series of corrective actions to bring the DBE program into compliance with the applicable federal regulations (49 CFR Part 26).

PRMT created a Procurement Review Committee (PRC) in Fiscal Year (FY) 2018 to establish, on a contract-by-contract basis, all DBE goals, and MBE goals, and to determine if the procurement should be an SBE Set-Aside. The implementation of the PRC was instrumental in establishing procedures for the collection and submission of data to FTA.

The development of the prompt payment tool has allowed WMATA to track all DBE award information at both the prime contractor and subcontractor levels.

The implementation of the new Contract Compliance Review (CCR) process for FTA funded contracts with established DBE goals and active ongoing payments. The CCR is a comprehensive review that investigates all aspects of a contractor's employment practices. SBPO continues to complete audits and certify DBE, Small Business Enterprise (SBE), and Small Business Local Preference Programs (SBLPP) firms using virtual tools.

PRMT hosted and participated in community outreach events to educate and inform women and minority owned business firms about available resources and upcoming procurement opportunities at WMATA.

Prior to 2017, PRMT was meeting 16.7% of the 25% DBE goal. That goal was decreased to 22% in 2017. PRMT achieved a 21.9% DBE goal in FY17 and met 21.4% of this goal in FY18. PRMT exceeded the 22% goal in FY19 by achieving 25.8% DBE goal attainment.

### **Background and History:**

The DBE regulations require state and local transportation agencies that receive DOT financial assistance, to establish goals for the participation of DBEs. Each DOT-assisted state and local transportation agency is required to establish annual DBE goals, and review the scopes of contracts to establish contract-specific DBE subcontracting goals.

### **Discussion:**

One of WMATA's goals is to ensure financial stability and invest in our people and assets. The dedicated funding sources allocated by Maryland, Virginia, and the District of Columbia is a major step towards achieving financial

security. The small businesses in the Transit Zone should benefit from contracts awarded with local funding. The establishment of the Minority Business Enterprise Program will assist and support small, local, women-owned and minority business in participating on contracts as a prime or sub-contractor. The Program will create industrial diversity and growth; increase employment of local citizens; and provide apprenticeships and job training.

**FUNDING IMPACT:**

Define current or potential funding impact, including source of reimbursable funds.	
Project Manager:	Tonyon Moore
Project Department/Office:	Office of Procurement and Materials

**TIMELINE:**

<b>Previous Actions</b>	
<b>Anticipated actions after presentation</b>	<p>WMATA will conduct a Disparity Study Analysis to determine if inequities exist in public procurement and contracting that adversely affect minorities and/or women.</p> <p>Recruit staff necessary to support the MBE program.</p>

**RECOMMENDATION:**

There is no recommendation as this is an update of WMATA's socio-economic programs.

# Small Business Program Office Update

T. Suzette Moore  
July 9, 2020



# Purpose

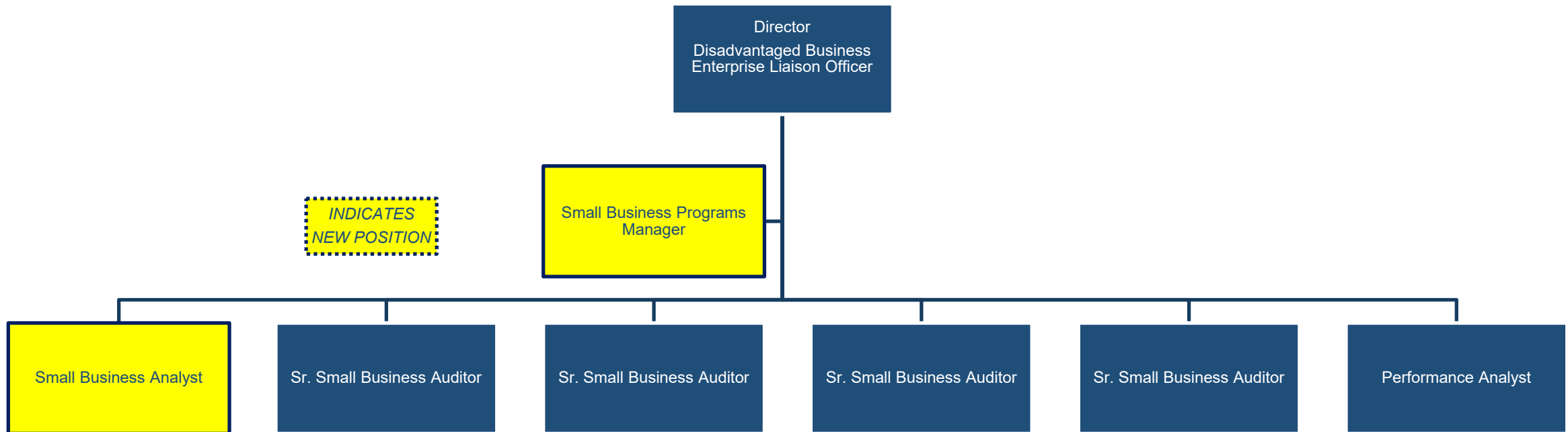
Provide an overview of:

- Small Business Programs Office (SBPO)
- Disadvantaged Business Enterprise (DBE) program
- Minority Business (MBE) program

# Disadvantaged Business Enterprise (DBE)

- A small business concern that is at least 51% owned and controlled by one or more individuals who are both socially and economically disadvantaged.

# SBPO DBE Team



# FTA Enhanced DBE June 18 Audit

15 deficiencies for each part of the program

## DBE Program

- 10 corrective actions approved
- 5 pending FTA approval

## Unified Certification Program

- FTA has approved all corrective actions
- Audit review closed



# DC Unified DBE Certification Program Directory

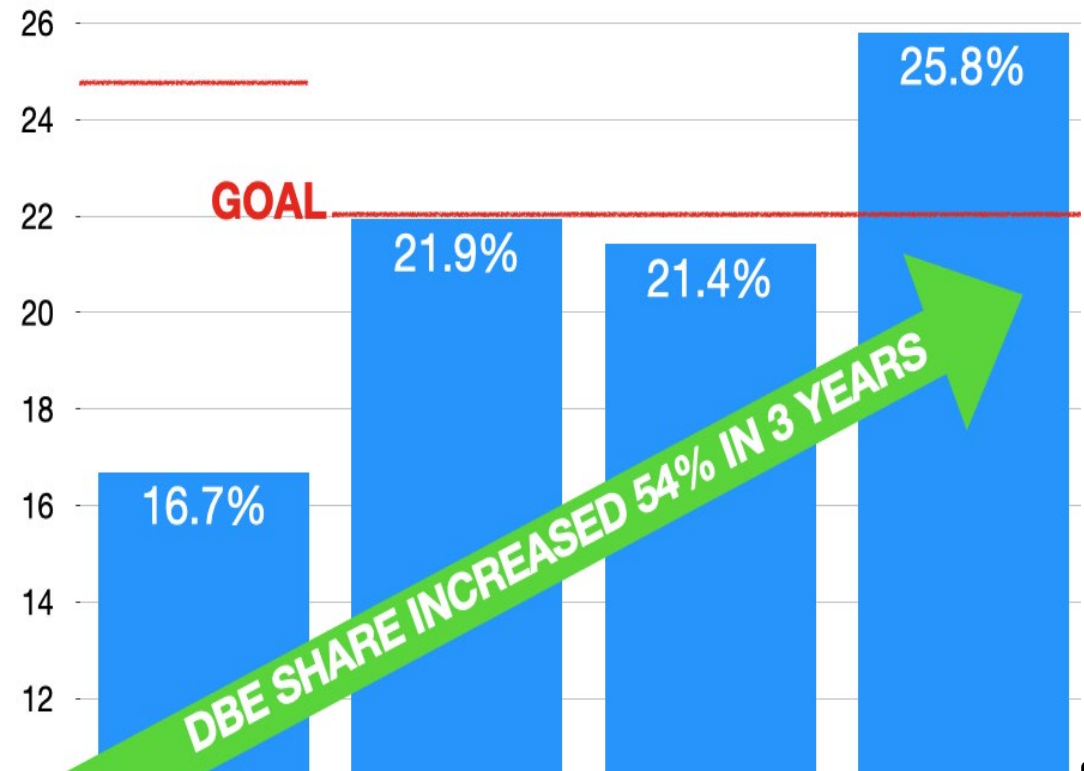
## Unified DBE Directory

- DBEs can be certified via DDOT or WMATA website and will appear in the Program Directory for **both** agencies

# DBE Goal for FFY 20-22

Triennial DBE goal for FFY20, 21, 22 is **25%**  
Federal Fiscal Year is Oct 1 through Sept. 30

- Prior to 2017 16.7% (Goal: 25%)
- FFY 2017 21.9% (Goal: 22%)
- FFY 2018 21.4% (Goal: 22%)
- FFY 2019 25.8% (Goal: 22%)



# FY 2019 DBE Awards as of 9/23/19

OCTOBER 2018-September 2019	Purchase Orders Awarded
All Prime Contractors	\$494,927,353
DBE Prime Contractors	\$34,083,485
DBE Sub Contractors	\$93,648,432
DBE % Total	25.81%

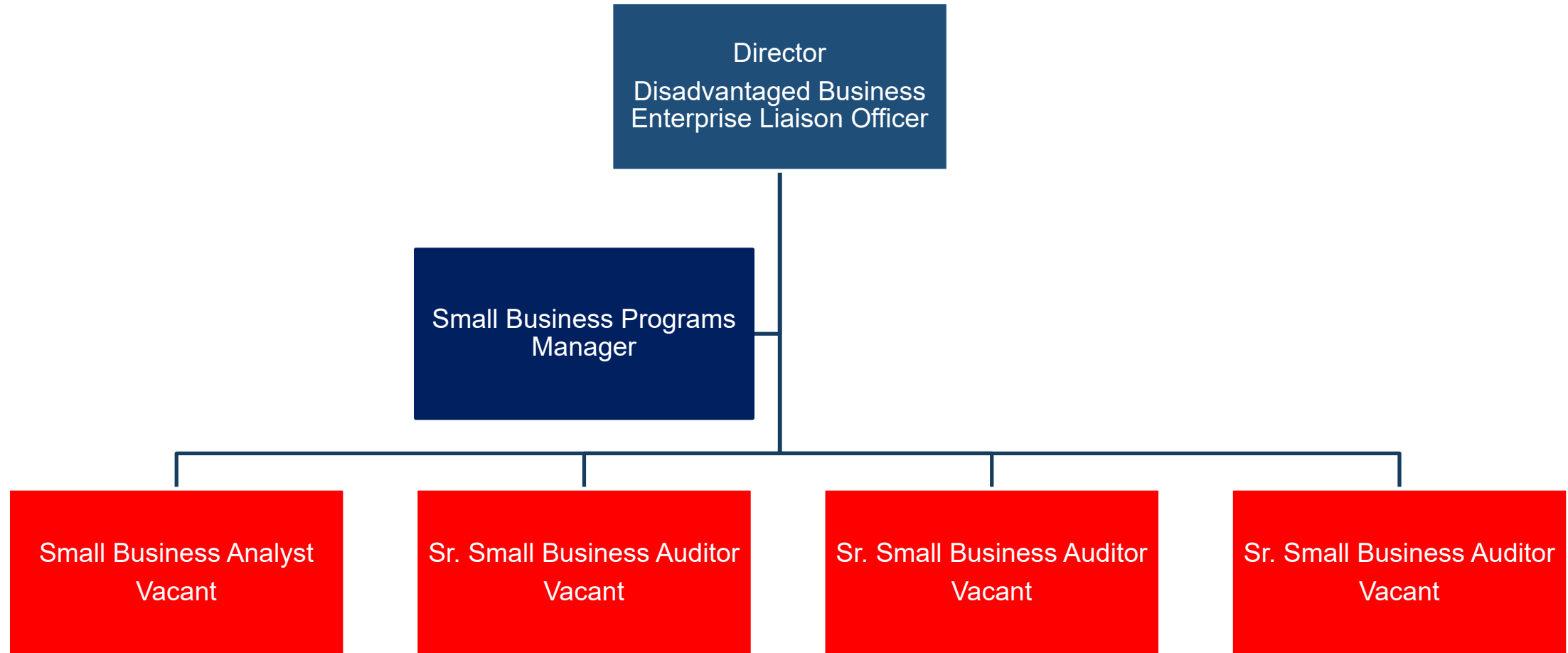
# FFY 2020 DBE Awards as of End Q3

OCTOBER 2019-MARCH 2020	Purchase Orders Awarded
All Prime Contractors	\$324,404,197
DBE Prime Contractors	\$1,018,651
DBE Sub Contractors	\$58,207,638
DBE % Total	18.26%

# Minority Business Enterprise (MBE) Program

- Seeks to encourage participation by minority-owned businesses as Metro invests dedicated capital funding
- Prior to dedicated funding, focus had been DBE (federally required)
- MBE not required by federal or local jurisdictions, but a good business practice

# SBPO MBE Team



# Review Committees

**Procurement Review Committee** determines contract-specific goals for DBE, MBE, and whether SBE set-aside is appropriate

**Contract Compliance Review (CCR)** examines all aspects of a contractor's employment practices

- CCR reviews contracts based on dollar value, number of contracts, and other factors

# Outreach 2019-2020

- Host/participate in community outreach to women and minority owned business
  - 2019 SBPO -17
  - 2020 SBPO - 7
  
- WMATA-hosted outreach event at UMD-CP in July 2019
  
- Small and Disadvantaged Businesses met one-on-one with managers from WMATA's Office of Procurement and Materials and its Program Offices to learn about upcoming contracting opportunities
  
- Planning virtual outreach event in September 2020



# Next steps

- Further optimize Small Business Local Preference Program
- Develop other initiatives to expand Small and Minority Business participation
- Implement New MBE Program and recruit necessary staff
- Implement Listening Sessions during future Outreach Events