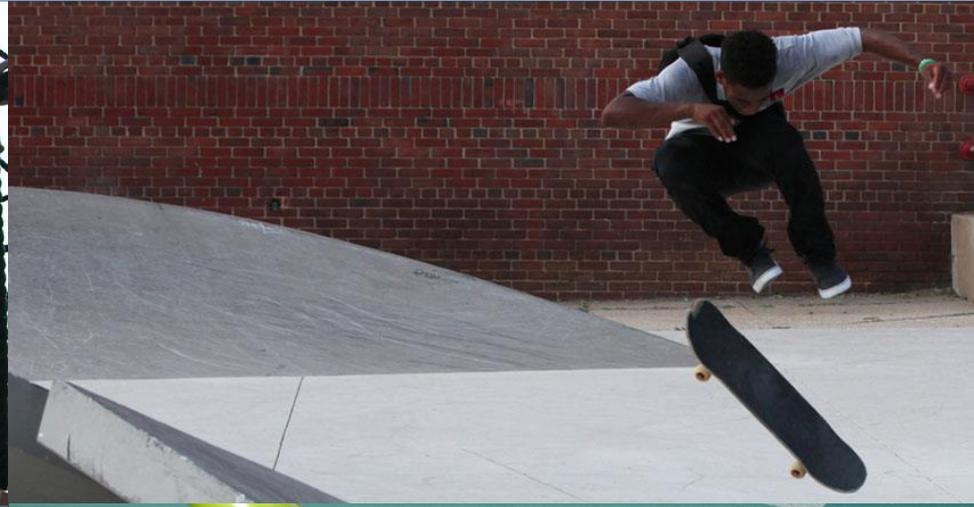


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Agenda

- | | | |
|----|------------------------------|---------------------|
| 1. | Welcome and Introductions | DGS & Pedro Alfonso |
| 2. | Payment Process Update | DGS |
| 3. | Bonding Update | DGS |
| 4. | FY 2018 Acquisition Forecast | DGS |
| 5. | Unbundling/Carve-out Update | DGS |
| 6. | CBE Inclusion Strategy | DGS |
| 7. | Mentor-Protégé Program Pilot | DGS |
| 8. | Open Discussion | All Participants |
| 9. | Networking | All Participants |

Payments: What We Are Hearing

- CBEs cannot access projects or upload pay applications to Prolog
- Invoice processing delays: PM says has processed invoice and it is with PMO, then it does not move to Finance
- PMs have differing interpretation of dates, i.e., substantial vs. administrative completion
- Follow-up meeting re: payment was requested
- Recommend that PMs respond to payment inquiries even if status is unchanged; “radio silence is frustrating”
- If pay application rejected, recommend DGS notify CBE so CBE can proactively ask what needs to be re-submitted rather than notify 1.5 months later of pay application rejection
- Project performance is dependent on timely payment
- Timely payment – GCs take 30 days to submit subcontractor invoices
- Explore possibility of implementing rapid payment system for subcontractors used in building of Nationals ball park
- Instate protection from a waiver of subcontractor payment bond protections
- Mirror law in other jurisdictions that places payments from the owner in a trust with the protections such payments have

Payment Process Update

- Chief Project Delivery Office (CPDO) hosted GC meeting 11/18/17 in which payment was discussed
- CPDO will conduct a CBE meeting specifically regarding payment process issues
TODAY 11:30am-1:30pm
- CPDO is enforcing payment standards requiring back-up to substantiate any invoice submitted (e.g., punch list and operating manual must be attached to pay application for project close-out/final payment)
- DGS is re-training PMs re: payment process expectations and holding PMs accountable for proper management practices
- DGS is working with Deputy Mayor for Greater Economic Opportunity, City Administrator, and Department of Small and Local Business Development to explore rapid payment system

Bonding: What We Are Hearing

- Be aware of bonding constraints certain contract actions place on CBEs, for example:
 - When government reduces value of contract, CBEs cannot use that bond elsewhere
 - Contract award and project delays tie up bonding capacity
 - Delays in releasing bonds after project completion can tie up bonding capacity
- Help smaller CBEs by carving out smaller projects
- Consider bonding surety program like Baltimore and US Small Business Administration
- Consider bond size per project, rolling bond, and/or less than 100% bond

Bonding Update

- DGS is improving scopes up-front to minimize scope change/ reduction in value
- DGS is implementing controls to assure third-party inspections are completed timely so that projects can be closed out more quickly
- DGS is identifying smaller project carve-outs
- DGS to dive deeper and brainstorm potential solutions, in coordination with:
 - CBE Community
 - Department of Small and Local Business Development
 - Department of Insurance, Securities, and Banking
 - Members of the financial services sector

Bonding Resources

- See US Small Business Administration's Surety Bond Guarantee Program: <https://www.sba.gov/funding-programs/surety-bonds> for non-federal contracts up to \$6.5M
- Camille Caesar
DC Department of Insurance, Securities, and Banking
Small business office hours - 2:30-4pm daily. Call to make an appointment.
camille.caesar@dc.gov
202-442-7821
<https://disb.dc.gov/service/small-business-resources>

FY 2018 Acquisition Forecast

Fiscal Year 2018 Procurement Plan and Forecast Highlights

- ✓ The Department has identified 322 procurements¹ valued at approximately \$496 Million whereby services were procured in fiscal year 2017 and will continue in fiscal year 2018. A portion of these contracts will exercise option years in the upcoming fiscal year, some of which will exceed \$1 Million require Council's approval.
- ✓ The Department has identified 126 procurements valued at approximately \$238 Million whereby new goods, services, or construction projects are anticipated to be procured in fiscal year 2018.
- ✓ New procurements valued up to \$15 Million are set-aside for Small Business Enterprise (SBE) firms.

| Division | Fiscal Year 2018 Procurement Plan (\$\$) ² | Fiscal Year 2018 Procurement Plan (##) ³ | Fiscal Year 2018 Forecast (\$\$) | Fiscal Year 2018 Forecast (##) ⁴ | TOTAL (\$\$) | TOTAL (##) |
|------------------------------|---|---|----------------------------------|---|----------------------|------------|
| Office of the Director | \$8,543,762 | 10 | \$3,381,999 | 13 | \$11,925,761 | 23 |
| Capital Construction | \$183,857,235 | 126 | \$208,176,000 | 25 | \$392,033,235 | 151 |
| Portfolio | 0 | 0 | \$5,638,300 | 12 | \$5,638,300 | 12 |
| Facilities Management | \$132,354,463 | 141 | \$10,145,175 | 30 | \$142,499,638 | 171 |
| Contracts and Procurement | \$950,000 | 1 | \$310,000 | 2 | \$1,260,000 | 3 |
| Protective Services Division | \$41,363,458 | 10 | \$954,400 | 9 | \$42,317,858 | 19 |
| Sustainability and Energy | \$102,721,317 | 36 | \$8,407,495 | 39 | \$111,128,812 | 75 |
| Total | \$469,790,235 | 324 | \$237,013,369 | 130 | \$706,803,604 | 454 |

Table 1: Fiscal Year 2018 Procurement Plan and Forecast by DGS Division⁵

FY 2018 Acquisition Forecast

Mayor Bowser's FY 2018 to FY 2023 Capital Improvements Plan:
<https://cfo.dc.gov/node/1231861>

DGS FY 2018 Acquisition Plan and Forecast:
https://dgsprocurement.dc.gov/acquisition_plans.aspx
Check regularly for updates throughout the year

DGS Solicitations Page:
<https://dgs.dc.gov/page/dgs-solicitations>
Check regularly and subscribe to RSS feed

School Stabilization Projects

- Adams MS, Meyer ES Design Only – Windows
- Burroughs EC, Burrville ES, Francis Stevens ES, Green ES, Langley ES – Doors
- Phelps HS, Plummer ES, J.O Wilson ES, Parkview ES, Sharpe Health ES Annex – Roof
- Leckie ES, Seaton ES, Langley MS Design Only – Elevator
- Lasalle Backus EC –HVAC
- Smothers ES, D. Height ES, Hendley ES, Johnson MS
- Nalle Design Only, Ketcham Design Only, Thomas Design Only – HVAC
- Dorothy Height ES – Playground
- J.O Wilson ES – Misc Ramp
- Tubman ES – Misc Bathrooms
- Tubman ES – Misc Welcome Center
- Seaton ES – Misc Fence
- Maury ES – Swing Space @ Eliot

Unbundling/Carve-out Update

- **Ward 1 Short-Term Family Housing** (Q2 FY 2018)
 - Provide design / layout and supply all loose furniture
 - Provide design, permitting, and installation of ADA upgrades to Rita Bright center
 - Temporary Swing Space
- **Blair Shelter Renovation – Phase 1** (Q2 FY 2018)
- **Emery Shelter Renovation – Phase 1** (Q2 FY 2018)
- **Barry Farm** – Additional fencing at the roof of the rec center and playground (Q3 FY 2018)
- **Ridge Road Recreation Center** – Install pool deck drains; connect lighting projection at pool; install concession stand kitchen equipment (Q3 FY 2018)
- **Modular schools** – wooden structures for classroom trailers (e.g., covered walkways, ramp, stairwells) (Q2 FY 2018)
- **Seaton** – replace chain link with cast iron fencing (Q3 FY 2018)
- **Langley** – replace flooring (Q3 FY 2018)
- **Eliot Hine and Jefferson modernizations** – explore carve-out options (FY 2019)

FY 2018 CBE Inclusion Strategic Initiatives Overview

| | Newer SBE | Mature SBE |
|---------------------------------------|-----------|------------|
| Outreach and training | ❖ | |
| Launch Pad (<\$100K) | ❖ | |
| Unbundling/ carve-outs (\$100K-\$1M)* | ❖ | |
| Set-asides (<\$15M) | ❖ | ❖ |
| Protégé subcontracts (<\$15M)* | ❖ | ❖ |
| Mentor prime contracts (>\$15M)* | | ❖ |
| Compliance training | ❖ | ❖ |

*Dollar amounts are rough/tentative

Elevating the Quality of Life in the District



| | FY 2018 CBE Inclusion Strategic Initiatives |
|-------------------------------|--|
| Acquisition planning | <p>Identify more CBE carve-outs/set-aside opportunities</p> <ul style="list-style-type: none"> ✓ Identified FY 2018 carve-out opportunities to roll out – Q1 FY 2018 and ongoing ✓ Set aside procurements <\$15M and issue solicitations – FY 2017 and ongoing • Explore ways to strengthen contract language to support CBEs – Q2 FY 2018 |
| Analysis and reporting | <p>Proactively monitor CBE expenditure progress throughout the year</p> <ul style="list-style-type: none"> • Stand up reporting capability – Q2 FY 2018 |
| Capacity building | <p>Establish Mentor-Protégé Program Pilot</p> <ul style="list-style-type: none"> ✓ Completed framework – Q1 FY 2018 • Launch pilot – FY 2018 (requires rule-making) <p>Explore ways to reduce bonding hurdles and quicken payment to subcontractors, with OCA, DSLBD, and DISB – Q1 FY 2018 and ongoing</p> <p>Continue to issue Launch Pad opportunities – FY 2017 and ongoing</p> |
| Compliance monitoring | <p>Monitor subcontracting, timely subcontractor payment, and workforce requirements</p> <ul style="list-style-type: none"> ✓ Issued compliance solicitation – Q1 FY 2018 • Conduct CBE training on compliance requirements – Q2 FY 2018 |
| Outreach and training | <p>Establish regular outreach and feedback channels</p> <ul style="list-style-type: none"> ✓ Established CBE Ombudsman role – Q4 FY 2017 and ongoing • Conduct focus groups and issue survey to inform outreach and training – Q2 FY 2018 • Post 2018 outreach calendar on DGS web site – Q2 FY 2018 • Update DGS web site CBE page as info and training resource – Q2 FY 2018 • Conduct other outreach TBD – ongoing |

Mentor-Protégé Program Pilot

Open Discussion

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