## 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
**Elevating the Quality of Life in the District**

**FY 2018 Acquisition Forecast**

**Fiscal Year 2018 Procurement Plan and Forecast Highlights**

- The Department has identified 322 procurements\(^1\) 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.

<table>
<thead>
<tr>
<th>Division</th>
<th>Fiscal Year 2018 Procurement Plan ($$) (^1)</th>
<th>Fiscal Year 2018 Procurement Plan (#) (^3)</th>
<th>Fiscal Year 2018 Forecast ($$)</th>
<th>Fiscal Year 2018 Forecast (#) (^4)</th>
<th>TOTAL ($$)</th>
<th>TOTAL (#)</th>
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</thead>
<tbody>
<tr>
<td>Office of the Director</td>
<td>$8,543,762</td>
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<td>$3,381,999</td>
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<td>$11,925,761</td>
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<tr>
<td>Capital Construction</td>
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<td>$392,033,235</td>
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<td>Portfolio</td>
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<td>$5,638,300</td>
<td>12</td>
<td>$5,638,300</td>
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<td>$10,145,175</td>
<td>30</td>
<td>$142,499,638</td>
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<td>Contracts and Procurement</td>
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<td>$310,000</td>
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<td>$1,260,000</td>
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<td>Protective Services Division</td>
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<td>$954,400</td>
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<td>$42,317,858</td>
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<td>Sustainability and Energy</td>
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<td><strong>Total</strong></td>
<td><strong>$469,790,235</strong></td>
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<td><strong>$237,013,369</strong></td>
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<td><strong>$706,803,604</strong></td>
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*Table 1: Fiscal Year 2018 Procurement Plan and Forecast by DGS Division\(^5\)*
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
- 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)
## FY 2018 CBE Inclusion Strategic Initiatives Overview

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Newer SBE</th>
<th>Mature SBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outreach and training</td>
<td>![ ]</td>
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<tr>
<td>Launch Pad (&lt;$100K)</td>
<td>![ ]</td>
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<tr>
<td>Unbundling/ carve-outs ($100K-$1M)*</td>
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<tr>
<td>Set-asides (&lt;$15M)</td>
<td>![ ]</td>
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<tr>
<td>Protégé subcontracts (&lt;$15M)*</td>
<td>![ ]</td>
<td>![ ]</td>
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<tr>
<td>Mentor prime contracts (&gt;=$15M)*</td>
<td>![ ]</td>
<td>![ ]</td>
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<tr>
<td>Compliance training</td>
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*Dollar amounts are rough/tentative*
## FY 2018 CBE Inclusion Strategic Initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
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</thead>
</table>
| **Acquisition planning**          | Identify more CBE carve-outs/set-aside opportunities  
  ✓ 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**         | Proactively monitor CBE expenditure progress throughout the year  
  • Stand up reporting capability – Q2 FY 2018                                      |
| **Capacity building**             | Establish Mentor-Protégé Program Pilot  
  ✓ Completed framework – Q1 FY 2018  
  • Launch pilot – FY 2018 (requires rule-making)  
  Explore ways to reduce bonding hurdles and quicken payment to subcontractors, with OCA, DSLBD, and DISB – Q1 FY 2018 and ongoing  
  Continue to issue Launch Pad opportunities – FY 2017 and ongoing                  |
| **Compliance monitoring**         | Monitor subcontracting, timely subcontractor payment, and workforce requirements  
  ✓ Issued compliance solicitation – Q1 FY 2018  
  • Conduct CBE training on compliance requirements – Q2 FY 2018                      |
| **Outreach and training**         | Establish regular outreach and feedback channels  
  ✓ 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                                               |
Elevating the Quality of Life in the District

Mentor-Protégé Program Pilot
Elevating the Quality of Life in the District

Open Discussion
Contact Information

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202-698-7780

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