



DGS Quarterly CBE Roundtable

September 26, 2018, 10am-11:30am
Reeves Building, 2nd Floor Community Room



we elev★te





Agenda

1. Welcome & introductions
2. CBE focus group recommendations
 - a. DGS project management & contracting processes
 - b. Compliance burden
3. Updates
 - a. DC Vendor Portal
 - b. Procurement Forecast
 - c. Mentor-Protégé Program
 - d. DSLBD update
4. Q&A/ networking



Focus group feedback





CBE focus group feedback

Twenty-six CBEs in the construction industry across the District participated in focus groups in March 2018. A summary of common challenges is below:

1. Delayed payment for prime contractors and subcontractors
2. Inconsistent work
3. DGS project management and contracting processes, including change orders
4. Hiring District of Columbia (DC) residents
5. Compliance burden
6. Lack of subcontractor rights



CBE focus group feedback

1. Inconsistent work
2. Delayed payment for prime contractors and subcontractors
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CBE focus group feedback

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Project management and contracting processes challenges

- Focus group participants cited reactive project management and short lead-times as a key source of inefficiency and challenge to doing business with DGS.
- The following areas present the greatest challenge for CBEs:
 - Too-short lead times for project announcement and bid response
 - Unclear scopes of work
 - Change order processing
 - Delayed award notification
 - Delayed payment associated with delayed change order processing negatively impacts prime contractors and subcontractors



Project management and contracting processes recommendations

1. Issue project solicitations sooner
2. Enhance statements of work for accuracy and clarity
3. Require site visits
4. Allow more time for solicitation responses
5. Issue award notification sooner, especially for summer projects
6. Improve change order processing
7. Publish bids to ensure fairer pricing



Change order processing recommendations

- Process change order invoices like any other scope, rather than at the end of the project, which can be a year or more later, so subcontractors can get paid
- Include major subcontractors at progress meetings for large modernization projects, so they can be aware of change order status
- Hold PMs more accountable for expedient processing of change orders and be more transparent about the process so CBEs can plan their resources accordingly to complete the project, release bonding, and bid on new work
- DGS proactively ask GCs during contract negotiation what potential change orders are anticipated



Project management and contracting processes update

- For large modernization projects, DGS is making efforts to **fund early packages not only with a letter contract but also with a Council approved initial not-to-exceed amount contract** to enable pre-construction and early work to proceed
- DGS has developed a model **Service-Level Agreement** to use with client agencies, which should help DGS issue projects with longer lead-times



CBE focus group feedback

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Compliance burden challenges

Focus group participants relayed the following concerns regarding compliance and paperwork burden:

- Compliance with DC regulations costs CBEs significant overhead that surpasses company/staff capabilities
- DGS/ DC government conducts little oversight of compliance requirements, so it is difficult to see the purpose of all the paperwork
- “DC is unreasonable about insurance requirements”
- Focus group participants wonder whether C&P officials are trained to analyze insurance policies to assure they provide the correct coverage



Compliance burden recommendations

1. Streamline compliance documentation requirements
2. Conduct more compliance monitoring
3. Provide compliance training for CBEs and agencies for consistency
4. Refer insurance requirement feedback to Office of Risk Management (ORM)



Compliance monitoring program update

- Task orders are in place for 7 compliance monitoring contractors, and monitoring activities are underway
- For suspected Apprenticeship, First Source, Davis Bacon, or CBE contracting fraud on DGS contracts, contractors should report to DGS:
Olivia Warren
Program Manager
olivia.warren@dc.gov
(202) 698-7780
- Provide the following information: the project name/address, prime contractor, relevant subcontractor names, estimated dates of suspicious activity, and a brief description of the suspicious activity



Compliance monitoring program update

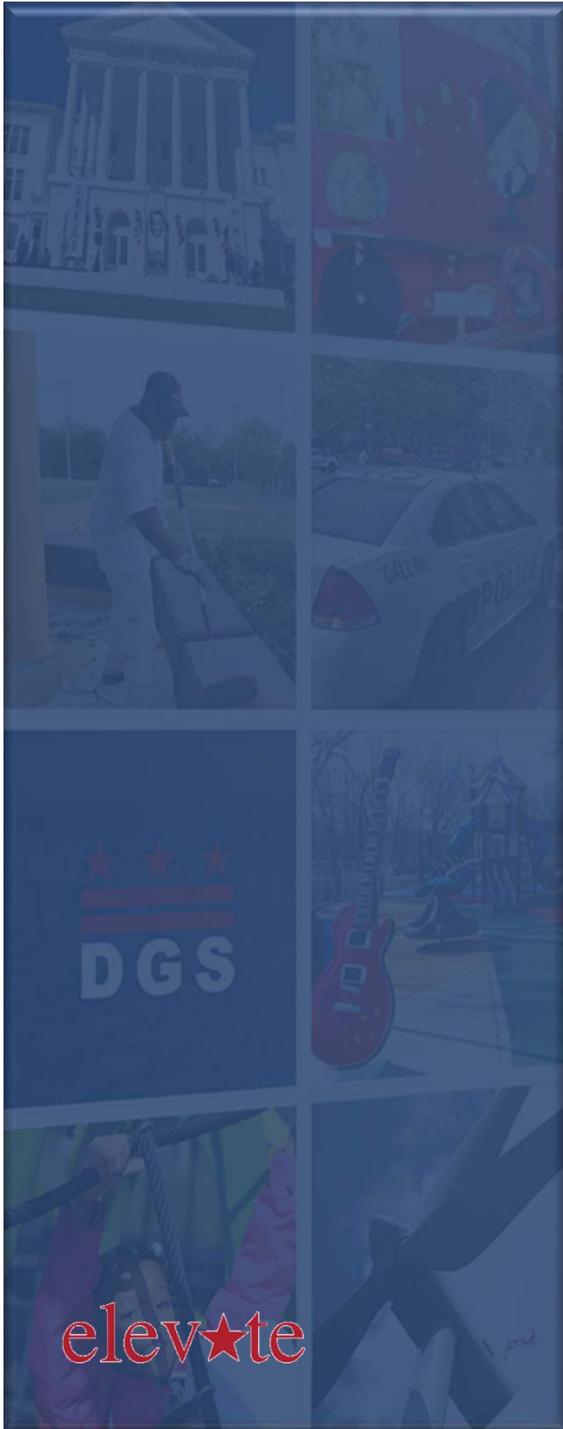
- For suspected CBE certification fraud, contractors should report to DSLBD:

(202) 727-0019

DSLBD.CBEFraud@dc.gov

441 4th Street, NW, Suite 850 North, Washington, DC 20001

- The phone line operates 24 hours a day and is an analog line with no caller ID or callbacks for anonymity
- See instructions at <https://dslbd.dc.gov/service/file-complaint-dslbd>



Updates:
DC Vendor Portal
FY 2019 Procurement Forecast
Mentor-Protégé Program
DSLBD Updates





DC Vendor Portal

- **DGS vendors should register in the new DC Vendor Portal as soon as possible if they have not already done so.**
- To register your company, visit: <https://vendorportal.dc.gov>
- Training videos and other info: <http://passhelp.dc.gov/e-invoicing>
- FAQs: <https://vendorportal.dc.gov/ContactUs/Help#faqs>
- For help: 202-741-5200 or <https://vendorportal.dc.gov/ContactUs>
- **DGS will be sending a communique this week to DGS vendors with instructions for invoice submission after October 1st**

FY 2019 Procurement Forecast Update

- DGS is finalizing its FY 2019 Procurement Forecast to post on the web site in Q1 FY 2019
- FY 2019 budget information:
 - District Capital Improvements Plan:
https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/DCOCFO_FY19_Budget_vol_5.pdf
 - DGS Budget: <https://cfo.dc.gov/node/1317346>
- Information regarding upcoming major school modernizations:
<https://dgs.dc.gov/sites/default/files/dc/sites/dgs/publication/attachments/Banneker%20HS%20-%20Round%20Table%20Discussion%20Powerpoint.pdf>



Mentor-Protégé Program Update

- Signing MOA with Department of Small and Local Business Development
- Rulemaking package is undergoing external review to be published in the *DC Register* for public comment
- Target rollout: late Q1 FY 2019

DSLBD Updates

DC Business Contracting Conference: <https://conta.cc/2OhSUov>, October 9th, 9am - 3pm, Kellogg Conference Center, Gallaudet University

DC Surety Bond Guarantee Program:

- SBEs will be able to receive a bond guarantee through the US SBA that decreases the amount of liquidity needed on a balance sheet for a surety bond from ten percent (10%) to five percent (5%)
- Program considers liquidity to be working capital, so a line of credit is considered the same as cash that goes toward the required liquidity
- This should allow for SBEs to double their bonding capacity through the DC Bond Program (e.g., SBE bonded at \$1M can now bond at \$2M)
- For more info, contact DSLBD Michael Bing, Michael.Bing@dc.gov



Q&A/ networking





Contact Information

For Vendor Outreach & Ombudsman Inquiries:

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For Compliance-Related Questions:

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<https://dgs.dc.gov/page/dgs-cbe-ombudsman>

<https://dgs.dc.gov/page/cbe-resources>



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