<u>**Department of Small and Local Business Development ("DSLBD")**</u>
<u>**FY15-16 Performance Oversight Hearing Questions**</u>
<u>**Committee on Business Consumer and Regulatory Affairs**</u>
<u>**Vincent B. Orange, Sr., Chairperson**</u>

I.   Agency Organization

1.   Have there been any organizational changes within the Department since last year's performance review? If so, please provide a complete, up-to-date organizational chart for each division within the agency including, either attached or separately, an explanation of the roles and responsibilities for each division and subdivision:
  ● Please include a list of the employees (name and title) for each subdivision and the number of vacant positions; and
  ● Please provide a narrative explanation of any organizational changes made during the previous year.

Answer: See Attachment #1

II. Personnel

2. Please provide a complete, up-to-date position listing for your agency, which includes the following information (list the information by program and activity):
- Title of position;
- Name of employee or statement that the position is vacant, unfunded, or proposed;
- Date employee began in position;
- Salary and fringe, including the specific grade, series, and step of position;
- Job status (continuing/term/temporary/contract);
- Designation of funding status (local, federal); and
- Job requirements and duties.

Answer: **See Attachment # 2**

3. Please provide the number of FY16 full-time equivalents (FTEs) for the agency, broken down by program and activity. Please also note the number of vacancies at the close of FY15, by program and activity, and current vacancy information thus far into FY16:

Answer: See Attachment #3

- For each vacant position, please note how long the position has been vacant and whether or not the position has since been filled; and
- How many vacancies within the agency were posted during FY15 and FY16, to date? **Answer: (3) Three**

4. Please provide a detailed narrative description of the personnel process within the agency. Specifically, please describe how the personnel activity within the agency works in coordination with the DC Department of Human Resources to ensure that human resource needs are met.

Answer: DSLBD works closely with DCHR and follows its guidance when posting and recruiting for positions. The agency has an HR Liaison that is trained in DCHR procedures and remains informed with DCHR requirements.

5. Does the agency conduct annual performance evaluations of all its employees? Who conducts such evaluations? What steps are taken to ensure that all agency employees are meeting individual job requirements?

Answer: Yes, the agency conducts annual performance evaluations of all its employees by Senior Staff. Per DCHR guidelines, DSLBD managers meet with their staff and outline goals for the year. During the year the managers also conduct mid-year reviews with their staff.

6. Please list all employees detailed to or from your agency, if any. Please provide the reason for the detail, the detailed employee's date of detail, and the detailed employee's projected date of return.

Answer: N/A

7. Please provide the Committee with:
    ● A list of all employees who receive cell phones, personal digital assistants, or similar communications devices at agency expense;

Answer:
Ana Harvey
Eric Rogers
Sherri Battle
Gabrielle Richards
Tabitha McQueen
Malik Edwards
Vonetta Martin
Cory Jefferson
Audrey Buchanan
Monica McCall-Matey
Melissa Resil
Yolanda Roy
Makita Haynes-Burks
Corey Beasley
Ronnie Edwards
Charles Wilson
Patricia Harrison
Shara Gibson
Katina Bolden
Milton Goodman
Mekdy Alemayehu
Sheila Edmondson
Earl King, Sr.
Philip Reeves
Lauren Adkins
Camille Nixon
Lincoln Lashley
Cristina Amoruso
Saba Fassil
Dian Herrman

Jonathan Brady
Marcia Harris
Anju Grobe
Melanie Gamarra
Jenny Cruz
Venessa Kadiri
Brian McClure
Jonathan Fanning
Kendrietta Leo

- A list of all vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned;
  Answer:
  2006 Ford Taurus DC4341
  2007 Chevrolet Impala DC6051
- A list of employee bonuses granted in FY15 and FY16, to date, if any;
  Answer: No bonuses were granted in FY15 or FY16.
- A list of travel expenses, arranged by employee; **Answer: See Attachment #4**
- A list of the total overtime and workers' compensation payments paid in FY15 and FY16, to date. **Answer:Total workers compensation paid to date is $314.42**

III. Budget

*** For questions 8-15 and 17 please see attachment #5*

8. Please provide a chart showing your agency's approved budget and actual spending, by program, for FY15 and FY16, to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures for FY15 and FY16, to date.

9. Please list any reprogramming, in or out, which occurred in FY15 and FY16, to date. For each reprogramming, please list the total amount of the reprogramming, the original purposes for which the funds were dedicated, and the reprogrammed use of funds.

10. Please identify any programs for which funding has been reduced or eliminated and include the following:
   ● Amount of the reduction by object class;
   ● Any personnel reductions; and
   ● Impact of change on the program, DSLBD, and its customers (internal and external).

11. Please provide a complete accounting for all intra-District transfers received by or transferred from the agency during FY15 and FY16, to date.

12. Please identify any special purpose revenue accounts maintained by, used by, or available for use by your agency during FY15 and FY16, to date. For each account, please list the following:
   ● The revenue source name and code;
   ● The source of funding;
   ● A description of the program that generates the funds;
   ● The amount of funds generated by each source or program in FY15 and FY16, to date; and
   ● Expenditures of funds, including the purpose of each expenditure, for FY15 and FY16, to date.

Answer: N/A

13. Please provide a complete accounting of all federal funds received for FY15 and FY16, to date.

14. Please identify all legislative requirements that the agency lacks sufficient resources to properly implement

15. Please provide the agency's fixed costs budget and actual spent for FY15 and FY16, to date. Please include a narrative description of any substantial changes in these costs.

16. Please list and describe all fines and fees that the agency collects. Include FY15 and FY16 totals collected for each. Also indicate the last time that these fees/fines have been adjusted/increased.

ANSWER: The agency did not collect any fines or fees for FY15 or FY16. The Small and Certified Business Enterprise Development and Assistance Amendment Act of 2014, effective June 10, 2014 (D.C. Law 20-108) provided for additional fines that may be assessed.

17. For each revenue account outside the General Fund that is available for use by the Department, please provide the following:
   ● Name of the account;
   ● Statutory authority for the account;
   ● Purpose of the account;
   ● Balance in the account at the beginning and ending of FY 2015;
   ● Deposits into the account, including the source of such deposits;
   ● Expenditures from the account;
   ● Expected revenue to the account; and
   ● Expected expenditures from the account in FY 2016.

IV. Agency Programs and Policies

18. Please list each policy initiative of your agency during FY15 and FY16, to date. For each initiative please provide:
   ● A detailed description of the program;
   ● The name of the employee who is responsible for the program;
   ● The total number of FTE's assigned to the program; and
   ● The amount of funding budgeted to the program.

Answer: See Attachment #6

19. Please describe any initiatives your agency implemented within FY15 and FY16, to date, to improve the internal operation of the agency or the interaction of the agency with outside parties. Please describe the results, or expected results, of each initiative.

Answer: See Attachments #6,7

20. The "Small and Certified Business Enterprise Waiver and Recertification Amendment Act of 2014" was enacted in March 2015. Please explain all the steps DSLBD has taken to implement this law?

ANSWER: On March 18, 2015, DSLBD published a special notice and synopsis of amendments made by the Small and Certified Business Enterprise Waiver and Recertification Amendment Act of 2014 ("Amendments"). The special notice and synopsis were distributed to all CBE's and District agencies and posted on DSLBD's website. In addition, DSLBD held a series of training sessions for agency Directors and Contracting Officers on the new requirements imposed by the Amendments. DSLBD also revised its certification and compliance policy and process to ensure compliance with the Amendments.

21. Please provide a list of all studies, research papers, and analyses ("studies") the agency prepared, or contracted for, during FY15 and FY16, to date. Please state the status and purpose of each study.

Answer:

Study	*Description*	*Purpose*	*Status*
Disparity Study	**This report breaks down those areas where there**	**To understand and identify opportunities to**	**In progress**

	are significant gaps between available CBEs with adequate business capacity and government procurement needs	train and target local businesses to compete for specialized projects	
Feasibility Study of a Main Streets Program for Lower Georgia Avenue	DSLBD created a competitive grant program to fund a study on the feasibility of creating a successful commercial revitalization effort of Lower Georgia Avenue.	To determine if a DC Main Streets program would be the best tool to spur revitalization of this commercial district.	The study was completed in September 2015 and a copy was provided to Council Member Nadeau.

22. If applicable, please explain the impact on your agency of any legislation passed at the federal level during FY15 and FY16, to date.

Answer: N/A

23. Please list all regulations for which the agency is responsible for oversight or implementation. Please list by chapter and subject heading, including the date of the most recent revision.

ANSWER: Title 27, Chapter 8 LOCAL, SMALL AND DISADVANTAGED BUSINESS ENTERPRISES CONTRACTING [27-800 through 27-899] Most recent comprehensive revision October, 23 2009; most recent additional revisions July 20, 2012.

24. Did the agency meet the objectives set forth in the performance plan for FY15? Please provide a narrative description of what actions the agency has taken to meet the key performance indicators or any reasons why such indicators were not met.

Answer: Yes. Please See Attachment #7

25. Please list and describe any ongoing investigations, studies, audits, or reports on your agency or any employee of your agency, or any investigations, studies, audits, or reports on your agency or any employee of your agency that were completed during FY15 and FY16, to date.

Answer:
- **Audit of the Department of Small and Local Business Development's Fiscal Year 2011 Performance Accountability Report (Dated February 21, 2013) (1 Recommendation Remaining)**
- **Audit of the Department of Small and Local Business Development's Certified Business Enterprise Program (Dated September 27, 2013) (7 Recommendation Remaining)**
- **The Office of the Inspector General's for Agencies' Compliance with Small Business Enterprise Expenditure Goals (Dated June 2015), - DSLBD has requested closure of all the recommendations, and is currently awaiting a final determination of the audit report.**
- **The Office of the District of Columbia Auditor for Certified Business Enterprise Expenditures of Public-Private Development Projects (Started December 2015) - Currently in Progress.**

26. Please identify all electronic databases maintained by your agency, including the following:
- A detailed description of the information tracked within each system;
- Identification of persons who have access to each system, and whether the public can be granted access to all or part of each system; and
- The age of the system and any discussion of substantial upgrades that have been made or are planned to the system.

Answer: See Attachment #8

27. What has the agency done in the past year to make the activities of the agency more transparent to the public?

Answer: In FY15 DSLBD continued posting 35% subcontracting waiver requests on its website to allow for public comment prior to a determination. The agency is also one of a number of agencies participating in Grade.DC.gov, a citywide customer service feedback tool that captures survey data and social media content to grade District agencies. In addition, DSLBD launched (in November 2015) CBE Connect, an online portal and one stop shop for all things CBE. CBEs can use this site as a tool to learn about current and future contracting and procurement opportunities with DC Government agencies. Moreover, this tool was serialized into book format and distributed to Council and the small business community.

28. Please identify ways in which the activities of the agency and information retained by the agency could be made more transparent.

Answer: DSLBD is actively pursuing strategies to increase the transparency of the agency through enhancements to CBE Online capabilities, investments in CBE compliance tools to display compliance information online, and enhancements to improve DSLBD's website.

29. Please identify any statutory or regulatory impediments to your agency's operations.
Answer: None.

30. Please identify all recommendations identified by the Office of the Inspector General or the D.C. Auditor during the previous year. The Office of Inspector General made 18 recommendations in its audit last year. Please note what actions have been taken to address these recommendations.

Answer: On December 9, 2015, DSLBD responded to the OIG report, requesting closure of the 18 recommendations; DSLBD is currently awaiting the final determination from the OIG. See Attachment #9

31. Please explain the goals and objectives of the DSLBD Trade Mission. How many missions have been conducted in FY15 and FY16, to date? What are the selection criteria for participation by certified business enterprises?

Answer: The DSLBD trade missions and international business-to-business (B2B) matching services are key components of our program, helping DC firms build relationships, identify suitable business partners, and set up meetings with pre-qualified potential customers (or partners) in relevant export markets. Specific goals include the number of B2B meetings conducted during the trade missions, number of international business support grants funded by federal (SBA) and local sources, number of small and local business participants, and the percentage of certified business enterprises (CBEs) that participate in the trade missions organized by DSLBD.

For FY2015, DSLBD organized and led 2 DC Trade Missions to 3 countries: Spain (May), and Ethiopia and South Africa (September). DSLBD provided funding in the form of International Market Access (IMA) grants to two small/local businesses to participate in the DC China Mission in November 2015.

The selection criteria for trade mission participation by certified business enterprises include the following requirements:
   1. **Have an exportable product or service, and complete an international marketing plan prior to application approval;**

2. **Be a small business as defined by SBA size standards;**
3. **Operate a business concern in the District of Columbia to manufacture, assemble, and/or distribute a product or provide a service;**
4. **Maintain a principal office in the District of Columbia for a minimum of six months prior to project start date;**
5. **Meet the local licensing and registration requirements set forth by DCRA and OTR.**
6. **Meet the fundamental export readiness criteria as defined by the US Department of Commerce.**

32. Please provide a detailed description of the Small Business Capital Access Fund, including how many loans were provided in FY15 and FY16, to date. What is the agency's criteria for approval of the loan? What is the total number of loans granted in FY15 and FY16, to date, and what is the remaining balance in FY16.

Answer: The Small Business Capital Access Fund will be recapitalized in FY16'. All funds have been loaned out since the program was established in 2013. There are currently twelve (12) active loans *(please see attachment)*. **All loan receipts are Certified Business Enterprises.**

33. Please explain the goals and objectives of the new DSLBD CEO Academy and the total number of graduates in FY16, to date. (P3)

Answer: The inaugural CEO Growth Academy is an intensive six month executive training program started in April 2015. DSLBD hosted 15 CBEs in the construction and real estate industry sector. The goal of the program was to assist CBE firms in building capacity so they will become more compete for private and public contracting opportunities. While in the program, firms were taught strategic methods of growing and managing the operations of the business, how to address common issues with being a CEO, and how to build a three year strategic growth plan. DSLBD graduated 15 firms from the CEO Growth Academy Program.

V. Business Enterprise Certification and Recertification

34. Please provide a detailed description of the business enterprise certification process, including a step by step explanation of the procedures from initial application.

Answer: The business certification process is as follows:
1. **Successfully complete the CBE Program Webinar (not applicable for recertification, upgrade, and joint venture certification applications).**
2. **Gather required checklist documents and begin the online certification application. Businesses are able to upload all required checklist documents into the online application.**
3. **DSLBD review and determination (up to 45 Business Days-). The review period may include a site visit to the principal office location of the business seeking certification. If a business application is denied the process will take longer than the 45--business day standard as the recommendation is sent to our legal department for review and the issuance of the Notice of Decision that is executed by the Director of DSLBD.**

It is important to note that the current Certified Business Enterprise (CBE) program application is only compatible with Internet Explorer 9 or above. The system is also currently running on the Microsoft 2008 operating system. It was brought to our attention via OCTO that the operating system will become obsolete in a few years. In preparation for this, DSLBD has completed the requirements for a new system that will house a new application interface and database which will incorporate existing CBE data. However, the funding for the new DSLBD enterprise system was decreased. It is imperative that we receive additional funds in FY16-17 to develop our enterprise system. We need to transition from the current system to a new system before the operating system becomes obsolete. The new system will streamline the process (i.e. shorten the application and make it more business friendly) and address many concerns DSLBD and the business community have expressed. The new system will allow for an increase of certified firms as we will decrease the technology barriers and process barriers that are currently experienced with the system.

35. Please describe any changes you have made or anticipate making to the certification process and what steps you will take to inform the public of these changes.

Answer: The Department completed enhancements and maintenance to the business certification application/ CBE Online system during fiscal year 2015. These enhancements were in response to bugs and issues reported by DSLBD staff and the business community. The enhancements made it easier for the business community to access their business applications, with the ability to reset their password within the online system instead of

having to call the Department. The internal and external reporting functions within CBE Online were also enhanced based on comments received by DSLBD staff and the business community. Enhancements were also made to the CBE Program Webinar based on legislative changes and comments received by DSLBD staff and the business community. In FY16 the Department plans to complete additional enhancements to streamline the process and comply with the CBE law self-recertification requirements. The public is and will continue to be notified of any legislative or policy changes via the DSLBD website and CBE Online email notification.

36. How have you expanded the agency's online services over the past fiscal year? What new online services are being offered? What are your targets for viewership and what are your results thus far in FY16?

Answer: The agency has completed maintenance and enhancements to CBE Online in FY15 and will continue to do so in FY16. In FY15 DSLBD completed the requirements for a new certification application and a CBE certification wizard which is scheduled to be launched in FY16. The wizard will connect to DCRA's business portal which will allow business to determine CBE program eligibility. It is important to note that the current Certified Business Enterprise (CBE) program application is only compatible with Internet Explorer 9 or above. The system is also currently running on the Microsoft 2008 operating system. It was brought to our attention via OCTO that the operating system will become obsolete in a few years. In preparation for this, DSLBD has completed the requirements for a new system that will house a new application interface and database which will incorporate existing CBE data. However, the funding for the new DSLBD enterprise system was decreased. It is imperative that we receive additional funds in FY16-17 to develop our enterprise system. We need to transition from the current system to a new system before the operating system becomes obsolete. The new system will streamline the process (i.e. shorten the application and make it more business friendly) and address many concerns DSLBD and the business community have expressed. The new system will allow for an increase of certified firms as we will decrease the technology barriers and process barriers that are currently experienced with the system.

37. How does the agency track applications for the various classifications of business enterprise certifications and re-certification?

Answer: CBE Online tracks each application submitted to the agency. The system has the ability to filter records and display categories of certification. All data from CBE online is also filtered into Quickbase, where the certification division has created reports to track the workload and performance of the division.

38. The "Small and Certified Business Enterprise Waiver and Recertification

Amendment Act of 2014" created a new self-certify protocol for re-certification. Please describe the steps the agency has taken to implement the new process. Please indicate how many CBE's have been re-certified under the new process.

Answer:
Effective October 1, 2014, section 2(A) of the Local Business Enterprise (LBE) definition changed from 1 of 4 to 1 of 3. Although the self-recertification requirements became effective March 11, 2015 this process was not implemented since the 2014 Act changed the requirements for certification. Only CBEs that were certified once under the 2014 Act's requirements (i.e., all CBEs that are re-certified on or after October 1, 2014 and after expiration apply for re-certification) can attest that there is no material change and that the CBE still meets the certification requirements. Such CBEs were eligible for self-recertification under this new process. We did not have applications that met this requirement.   However, effective Monday, July 27, 2015 section 2(A) of the Local Business Enterprise (LBE) definition changed from 1 of 3 back to 1 of 4. This being the case, the self-recertification requirement became effective. DSLBD's CBE Online application system requires enhancements to meet the self-recertification requirements detailed in law. DSLBD is currently working with OCTO on the requirements for the enhancements to CBE Online that will include this change to the system in FY16.   Currently all applications submitted to DSLBD for recertification that demonstrate no material change (i.e. ownership, address or size (if an SBE)), clean hands with OTR and good standing with DCRA are manually processed in a condensed timeframe and submitted for approval. Business Certification Specialists are instructed to review all new recertification applications within their caseload daily to determine whether or not the recertification application meets the requirements for self-recertification.   Once they determine what recertification applications meet this requirements, an email is sent to the business notifying them of their eligibility for self-recertification. Attached to the email is a no change affidavit that the business must execute. Once executed and received, the Specialist then submits their determination to the Manager for approval. As of February 12, 2016 101 applications have been recertified under this condensed process.

39. Please provide the committee with the number of business enterprises that are certified in each CBE category.

Answer: As of 2/12/16 the breakdown is as follows:

1. **Local Business Enterprise (LBE): 1205**
2. **Small Business Enterprise (SBE): 1141**
3. **Disadvantaged Business Enterprise (DBE): 608**
4. **Development Enterprise Zone (DZE): 682**
5. **Longtime Resident Business (LRB): 129**

6. **Resident Owned Business (ROB): 651**
7. **Veteran--Owned Business (VOB): 79**
8. **Local- Manufacturing Business Enterprise (LME): 2**

Please note that to be considered a CBE, a business must meet all Local Business Enterprise (LBE) requirements. To be considered for any category listed above the business must first qualify as a LBE.

40. How many applications for business enterprise certifications were received in FY15 and FY16 to date? How many re-certifications?

Answer: DSLBD received 1181 applications for business certification in FY15. Of the 1181, 453 were applications for Certification and 638 applications were for Recertification. The remaining applications were Upgrade (81) and Joint Venture (2) applications. In FY16 DSLBD has received 370 applications for business certification. Of the 370, 159 applications are Certification applications and 180 are Recertification applications. The remaining 31 are Upgrade applications submitted to DSLBD.

41. What is the number of certification specialists on staff?

Answer: There are currently five (5) staff in the certification division. The breakdown consists of one (1) manager and four (4) Business Certification Specialist. One Specialist has been out on extended leave, so the division has been operating with three (3) Specialist for a number of months. In FY16 it is anticipated that the division will obtain two (2) new FTE's.

42. What is the average monthly rate of applications reviewed by certification specialists?

Answer: In FY15 the certification division determined applications in an average of 31 business days.

43. How many CBE applications are processed by a certification specialist each year?

Answer: 1174 applications were processed in FY15. There were a few staff changes in FY15 within the certification division. Corey Beasley processed 341 applications in FY15. Cameron Briggs, who resigned from his position, processed 14 application in FY15. Jenny Cruz, a new employee, processed 28 applications in FY15. Saba Fassil, a detailed employee during employee transition, processed 21 applications in FY15. Makita Haynes-Burks processed 338 applications in FY15. Monica McCall-Matey, processed 8 applications in FY15. Yolanda Roy processed 393 applications in FY15 and Sonja Sims, who was

terminated in FY15, processed 28 applications in FY15. The Manager, Melissa Resil processed 3 applications in FY15.

44. How many certifications were revoked in FY15 and FY16, to date, and for what reasons? One (1) application was revoked in FY15?

Answer: No certifications were revoked in FY15. Two (2) applications were resigned in FY15. No certifications have been revoked in FY16.   However, one (1) application was resigned in FY16. Businesses that are no longer eligible for CBE certification (i.e. moved outside of the District or notified the Department that they were no longer interested in the program), request the resignation of their CBE numbers.

45. What is the average wait time for processing business enterprise certification applications, and what is the number and percentage of CBE certifications that were processed within the average wait time. What is the average wait time for re-certification applications?

Answer: In FY15 applications were processed (determined) in an average of 31 business days. The internal target is thirty (30) business days and our standard is forty--five (45) business days. In FY15, 81% of all applications were determined within 45 business days. Recertification and Certification applications are processed within the same timeline. The implementation of the no material change self-certification for recertification applications, will change the average wait time for recertification applications with no material change as these will be processed in less time.

46. What has the agency done to reduce the wait time?

Answer: In FY15 the for recertification applications with no material change, the certification division has condensed the review process for these applications to reduce the wait time for an approval/determination.   In FY16 the certification division will be completing enhancements to the CBE Online business application to ensure the system operates in compliance with the law.   DSLBD is currently working with OCTO on the requirements for this new system functionality. It is important to note that the current Certified Business Enterprise (CBE) program application is only compatible with Internet Explorer 9 or above. The system is also currently running on the Microsoft 2008 operating system. It was brought to our attention via OCTO that the operating system will become obsolete in a few years. In preparation for this, DSLBD has completed the requirements for a new system that will house a new application interface and database which will incorporate existing CBE data. However, the funding for the new DSLBD enterprise system was decreased. It is imperative that we receive additional funds in FY16-17 to develop our enterprise system. We need to transition from the current system to a new system before the operating system becomes obsolete. The new system will streamline the process (i.e. shorten the application and make it more business friendly) and address many

concerns DSLBD and the business community have expressed. The new system will allow for an increase of certified firms as we will decrease the technology barriers and process barriers that are currently experienced with the system.

47. For certification and re-certification applications found deficient, what is the average time before an applicant receives official notice of the agency's determination?

Answer: Applications are assigned daily on rotation to each Business Certification Specialist. Specialist are instructed to review all Certification applications within ten (10) business to determine whether or not the application is deficient. If there is a deficiency that can be cured within 48 hours, the Specialist sends an email to the business to provide the deficient documents within this timeframe. If the documents are not received, the application is closed. If the deficiency cannot be cured within 48 hours (i.e. business has a revoked status with DCRA or non-compliance with OTR),   the application is closed by the certification division within the ten (10) business day period. Any should happen under fifteen (15) business days. Applicants received an email notification from the assigned Specialist that details the reason(s) for the closure and the link to resubmit once all deficiencies are resolved.

48. Please provide an analysis of the complaints received regarding the certification process. Include:
- Number and percentages by certification and re-certification;
- A description of the most common complaints;
- A description of the actions taken to address and reduce these common incidences; and
- A description of the process areas that remain the most problematic for clients

Answer: Businesses may contact the Department regarding issues they are facing with the certification process. The complaints are addressed and handled as they are received. The Department has received feedback from businesses regarding the CBE program. The Department will continue to make enhancements to the online application to address many of these concerns. In addition, the agency has dedicated staff to assist with CBE opportunities to ensure CBEs are accessing the resources needed to be successful.

VI. Protests and Appeals Procedures

49. Please describe the process for handling client protests and appeals in response to adverse determinations made by the agency of an application for certification or recertification.

Answer: An applicant may appeal DSLBD's decision by filing a written request for hearing at the District of Columbia Office of Administrative Hearings (OAH) within twenty (20) calendar days after receiving DSLBD's adverse decision.

The presiding Administrative Law Judge at OAH will determine whether a hearing is required by law in the applicant's case. In the event a hearing is granted, OAH will mail the applicant and DSLBD a Scheduling Order that sets the date and time of the hearing.

50. How many protests and appeals were processed by the agency for FY15 and FY16, to date?

Answer: Seven (7)

51. What are the most common protests/appeals handled by the agency?

Answer: The majority of the appeals filed challenge the DSLBD's determination that an applicant's principal office is not located in the District, as required.

52. How many agency decisions appealed to the Office of Administrative Hearings were overturned?

Answer: Zero (0)

VII. Enforcement and Compliance

a. Monitoring and Inspections

53. Please provide a detailed description of the compliance monitoring process, including the tracking system in place for monitoring District agencies' compliance meeting their small business enterprise expendable budget requirements and compliance with CBE subcontracting requirements on government-assisted projects.

Answer:

Agency Compliance
As of October 1, 2015, Fiscal Year (FY) 2016 DSLBD has seven (7) Compliance Specialists of which two are Senior Compliance Specialists whom all reports to the Deputy Director of DSLBD. These individuals are responsible and monitor a compliance portfolio of ten (10) areas requiring CBE inclusion and consisting in upwards of $10 billion dollars in prime contracting, subcontracting, and development contracting opportunities. In FY16, DSLBD anticipated that the Compliance and Enforcement Division will obtain two (2) new FTEs, which consists of one (1) Senior Compliance Specialist and one (1) Compliance Specialist. Once these positions are filled, this will enable DSLBD the ability to adequately monitor Public-Private Development (PPD) Projects; allowing the Compliance and Enforcement Division the ability to focus on PPD projects and fully implement program objectives.

Goal Setting

DSLBD utilizes a citywide, user-assigned electronic data system called "Quickbase" that track agency expenditures and compliance towards achieving goals.   DSLBD updated Quickbase, and released the New 2016 DSLBD Agency SBE Compliance Application in August 2014.

- **Approximately 60 days prior to the start of each fiscal year, DSLBD received a data dump from the Office of the Chief Financial Officer (OCFO), of the District's Proposed Budget for Fiscal Year 2016, The proposed budget included the operating and capital dollars summarized by program, activity, comptroller source group, and appropriated fund.**
- **DSLBD identified and confirmed the comptroller object codes to be excluded, which included personnel, rent, utilities, travel costs, etc.,**
- **DSLBD Expendable Budget is established for each monitored agency**
- **Approximately 30 days prior to the start of each fiscal year, agencies request Special Exception by object code and comptroller source group, Special Exceptions are**

submitted, reviewed and approved/denied, after which agency expendable budgets and annual baseline goals are established.

Compliance Monitoring

Using Quickbase, agencies are required to submit quarterly reports detailing progress towards their goals, including all expenditures during a reporting quarter and throughout the life of the project. All SBE expenditures are clearly delineated and reported in a manner to track expenditures both quarterly and cumulatively.

DSLBD works with agencies to address any issues related to compliance including assisting with the identification of available SBEs.

Public Private Partnership

DSLBD Compliance Team continued efforts to identify all ongoing Public-Private Development Projects (PPD) actively engaged in construction in the District of Columbia. DSLBD currently has 534 PPD projects, which 255 were initiated prior to FY2009, many of which were completed and/or monitored by the Auditor's Office; however, during the completion of the closeout process. Furthermore, DSLBD was unable to properly close out 121 of the 255 PPD projects; and the remaining 279 development projects, are either pending close out, no information available on status, or new.

The Compliance Team is expected to communicate with the Developers on a regular basis, to ensure that the requirements stated in their contract is met, and the quarterly reports are received in a timely manner, and reviewed by the Compliance Specialists.

PPD projects are self-assigned among the Compliance Specialists, and the Developers are required to meet with DSLBD within 10 days of execution in regards to their Budget and 35% Subcontracting Plan, Quarterly Reporting Requirements and Enforcement and Penalties. The quarterly reports are used by staff to track payments made by the beneficiaries to CBEs against the amount included in the approved subcontracting plans.

In addition, Developers may be subject to fines and penalties, if the contract requirements are not met. DSLBD will notify the Developers of non-compliant via deficiency letters, in-person meetings, e-mails, etc.,

 54. Please describe any changes you have made or anticipate making to the monitoring process since last fiscal year, and include the efforts you have taken to inform the public and stakeholder community of these changes.

Answer:

Change 1 - Agencies and Private Development Projects will have more access to Quickbase, which will allow agencies to report all contracts awarded including submission of approved subcontracting plans, and the progress.

Change 2 -DSLBD Expendable Budget Process will be electronically integrated with the Office of the Chief Financial Officer (OCFO), and the Office of Contract and Procurement (OCP) to ensure that the data is accurate and efficient.

In the future, our goal is to link SOAR and ARIBA, so the data will be automatically uploaded into DSLBD Compliance Database.

Change 3 - Streamline and establish controls to automatically capture transfers between agencies, regarding the Expendable Budget Process. In FY2016, DSLBD has implemented steps to streamline the transfer process between agency; however, our goal is to make the transfer process automated, so the Compliance database will capture real time adjustments related to the expendable budget.

Change 4 - DSLBD will develop and implement enforcement strategies for complaints, and conduct more site reviews on low achieving projects.

Change 5 - Conduct semi-annual on-site trainings on Compliance and Enforcement, which include the Expendable Budget Process, Public-Private Development Projects, Subcontracting Plans, Quarterly Reporting, Quickbase Database, and Complaints.

Change 6 - Agencies will be held accountable for submitting their Quarterly Reports in a timely manner, and meeting their SBE Spending Goal.

55. What online upgrades have you made to your compliance monitoring system over the past fiscal year? What new online upgrades are being considered for FY16?

Answer: DSLBD is working with OCFO and the Office of Contracting and Procurement, on an ongoing basis to link the CBEs Compliance Reporting general ledger activity by fund type, FEIN, and effective date to a listing of CBEs by FEIN and certification dates. In addition, OCFO has uploaded active CBE files from CBE Online to CFO Solve

56. What changes have you made to increase the performance of District government agencies, developers, and general contractors who have failed to comply with small and certified business enterprise utilization requirements?

Answer: DSLBD are corresponding with Agencies, Developers and General Contractors on a more frequent basis, which include reminders of requirements, deadlines, and consequences of being non-compliant which are subject to corrective measures, fines and/or penalties. DSLBD directed set-asides may be imposed for seriously delinquent agencies.

- Has the agency conducted any analyses to determine their effectiveness in enhancing performance compliance?
  Answer: Yes, DSLBD has made significant progress in determining our effectiveness in enhancing performance in compliance, by providing feedback to the Agencies and Developers regarding status, implementing deadlines, and enforcing accountability. To the extent deficiencies are being identified, appropriate corrective measures are being implemented and necessary improvements made.

- Have changes been implemented for FY15 and FY 16, to date?
  Answer: Yes, as previously stated above. DSLBD has made significant progress in determining our effectiveness in enhancing performance in compliance, by providing feedback to the Agencies and Developers regarding status, implementing deadlines, and enforcing accountability.

57. How does the agency coordinate with other District agencies to keep abreast of CBE compliance matters and performance? Please explain.

Answer: DSLBD continued to communicate with Agencies, by requesting, reviewing and providing an analysis of all Quarterly Reports. Furthermore, in FY 2015 DSLBD held numerous training sessions to ensure that all requirements are understood and satisfied As previously stated, agencies have been divided among seven (7) compliance specialists who, among other duties, will be directly responsible for communicating with agency liaisons and assisting with compliance related issues.

b. Waivers

58. Please describe the small and certified business utilization waiver process and include the following in the narrative:

> **Answer: The law anticipates, that there will be occasions where an appropriate CBE may not be available to meet governmental procurement needs and therefore allows agencies to request a waiver from CBE requirements. Waivers may be granted due to: (1) lack of CBEs available to provide the service; (2) available CBEs lacking the business capacity to fulfill the terms and**

conditions of the requested service; or (3) the goods and services requested are proprietary or specialized in nature. The DSLBD Director, in her discretion, may find that agency needs cannot be met at the time of procurement.

Furthermore, Agency Liaison can request a waiver in the Quickbase system for receiving and processing waiver requests, to have the 35% subcontracting requirement waived.

Instructions and trainings are made available to all Agency end users. In addition, Agencies were advised that waivers could only be considered when submitted by designated agency representatives and should be submitted well in advance of anticipated contract awards in order to avoid delays in processing; in addition, supporting documentation must be attached or submitted via email, which include justification to demonstrate the unavailability of SBEs, including market analysis, outreach and consultation with DSLBD, etc.

Waiver are only considered when requested by agency representatives. No requests are received directly from contractors. The process is the same for all agencies. However the process of providing supporting documentation varies and most time contribute to delays in processing.
▪ **During FY 2015, approximately five (5) specialists were involved in the review process in addition to other assignments.**
▪ **The average turnaround time for a waiver request determination during FY 2015 was about 30 days.**

- Differences in the waiver request process practiced by the various requesting agencies, developers and contractors;
- The number of resources devoted to reviewing waiver requests; and
- The average turnaround time for a waiver request determination.

59. In the FY16 release of the District Spending Plans, there were a substantial number of agency exceptions requested and granted. Please describe the exception process and include the following:
- The total number of exceptions requested;
- The number exceptions granted and the basis for DSLBD's approval;
- The total number of exceptions denied; and
- The top agencies with the most exception requests.

Answer: DSLBD opens the Special Exceptions process. The estimated gross expendable budget is finalized in the CSBE Compliance Reporting database, and agencies are required to review and submit requests by October 1, request exceptions for one of five justifications

pursuant to 27 DCMR 830.1. DSLBD reviews and approves or denies requests for procurement if: (1) no small business can perform the work, (2) the work is proprietary, (3) the line item is for specialized government services, (4) there are federal or other restrictions on the funds, or (5) there are requirements for the work to be completed by a non-CSBE, such as for existing multi-year contracts.

See Attachment #9

60. Does the agency have issues regarding the small and certified business enterprise waiver process, and if so, please explain?

Answer: No, based on legislative changes, DSLBD has revised its process to comply with the new requirements.

61. Concerning waiver requests from contracting entities, how many such requests did DSLBD receive to waive SBE/CBE utilization requirements in FY15 and FY16, to date? Please break the number down by the following categories and note the requesting agency:

- Purchases of goods and services by District government agencies;
- CBE utilization on government-assisted projects, and
- CBE utilization on equity participation projects.
    - i. How many waiver requests were approved? Please provide a justification for each waiver;
    - ii. How many waiver requests were denied? Please explain; and
    - iii. What is the average turnaround time for approving/denying a waiver request from a contracting entity?

Answer: Between FY2015 and FY2016 DSLBD received and processed 244 waiver requests. Of the 244 waiver requests received, 52 were closed or withdrawn, leaving approximately 192 requests to review. In total, DSBLD ultimately approved 171 waiver requests.

FY	Request	Withdrawn	Closed	Denied	Approved
2015	178	22	20	16	120
2016 (as of 1st Quarter)	66	4	6	5	51

	244	26	26	21	171

Between FY2013 and FY2015 the number of waiver requests doubled from sixty (60) to 120. The increases can be attributed to corrections to the process, including:

- The inclusion of public-private development contracts in FY2015.
- Increased level of compliance by government agencies and procurement officers.
- Historically, Department of General Services and the Office of Contracting and Procurement approved waivers; changes to the law consolidated review with DSLBD in FY2015.

In FY2015, DSLBD approved 120 waiver requests for a potential subcontracting amount of $466 million.

Each year DSLBD works with agencies to set a CBE spending goal. Waivers reduce the agencies goal from the original total if there are no qualified CBE are capable and available to perform the work.

As of January 8, 2016, there are only 1200 CBEs available to contract with over multiple industries, with some industry groups underrepresented within the CBE pool. Of the 171 approved waivers, more than two-thirds were approved because no CBE had the requested capacity to perform the work.

The average turnaround time for approving/denying a waiver request from a contracting entity is 30 days.

62. Does the agency receive blanket waiver requests from contracting agencies from CBE utilization requirements? If so, please identify the agencies.
- What particular industries are impacted by this process; and
- What procedures have been put in place to process such requests?

Answer: Yes, we have received requests both written and verbal for consideration of blanket approval of waivers from several of the Human Services/Human Care related agencies (i.e., DBH; CFSA; DHS)
- What particular industries are impacted by this process
o Human Services/Human Care
o Procurements that are "Competition Exempt"
- What procedures have been put in place to process such request
o Currently DSLBD does not approve blanket waiver request. However, we evaluate each waiver request, on an case by case basis.

63. Please list the recommendations you have made to contracting agencies to suspend, debar, levy fines or other penalties against a contractor, developer or small or certified business enterprise found not in compliance with certified business program requirements. Include in your listing the following:

Answer: To date we have not made any such recommendations. Since, we are in the re-organizing stages for the Compliance and Enforcement Team, our initial approach has been to conduct a comprehensive analysis of all existing projects; determine their compliance status (i.e., submits quarterly reports according to schedule, on target to meet established goals, etc.); provide notification of identified deficiencies; and allow sufficient time to provide explanation or cure. We have also started the process of notifying agencies and contractors of our requirements to enforce existing law and the need to ensure that all requirements are being fulfilled.

- The name of the contractor/developer/CBE entity involved;
- project name;
- contract identification;
- a description of the infraction; and
- a description of the agency's recommendation.

64. Please provide any analyses of the complaints received regarding the waiver process.
   Include:
- A description of the most common complaints;
- A description of the action taken to address and reduce these common incidences; and
- A description of the parts of the process that remain the most problematic for the District government agency and private sector stakeholders.

Answer: Some of the most common complaints received regarding the waiver process, are: (1) What about my agency's unique needs? (2) Is prior poor performance a basis for requesting a waiver? (3) How do I find SBEs or other CBEs? (4) How is a waiver request withdrawn? and (5) Does DSLBD verify a vendor's capability and capacity for the NACIS or NIPG Codes it lists?

Questions	Answers
Does DSLBD verify a vendor's capability and capacity for the NACIS or NIPG Codes it lists?	**No. It is the responsibility of the CO to verify these areas. DSLBD This is a common practice in most States**
How are the Base and Option year timing calculated?	**The Base Year begins when the contract is first signed by the vendor and the CO. Option years**

	begin when the option is exercised and signed by the vendor and the CO
Is prior poor performance a basis for requesting a waiver?	**Yes to the extent that no other SBE or CBE can perform the service or work (or a portion thereof) and the poor performance of the incumbent or potential vendor is documented via a CAR and the vendor clearly failed to perform**
What about an agency's unique needs?	**1. Such needs should be discussed at the beginning of the fiscal year when the Agency submits its annual spending plan and negotiates its expendable budget with DSLBD.** **2. Prior to a solicitation or procurement occurring, the procuring agency director with assistance from the OPC CO should reach agreement with DSLBD on unique needs (this second option should be the extreme exception)**
How can SBEs or other CBEs be found?	**visit the DC Supply Schedule found at http://ocp.dc.gov/page/district-columbia-supply-schedule and the DSLBD CBE Tool found at http://dslbd.dc.gov/service/find-certified-companies Using key words or NIPG Codes (to the fifth place e.g. not 948-00 Health Relates Services but rather, 948-65 Nursing Home Services) Find Certified Companies Find Certified Companies**
How is a waiver request withdrawn?	**CO issues a concise memo to DSLBD with the reason for withdrawal**

VIII. DC Main Streets and Business Improvement Districts

65. Please provide the following for the DC Main Streets organizations:
   - Changes in geographic area for each Main Street organization;

Answer:
   - **Deanwood Heights Main Streets has requested that the Main Streets boundaries be expanded to all of Ward 7 but DSLBD has not yet approved this request.**
   - **North Capitol Main Streets boundaries have extended to 2nd Street, NW, between Florida Avenue, NW and Rhode Island Avenue, NW as the new western boundary.**
   - **Rhode Island Avenue Main Street has expanded its eastern boundary to Eastern Avenue, NE**

   - Budgets for each Main Street organization; and

   Answer:
   - **Barracks Row Main Street: $678,885, as reported to the IRS in 2013**
   - **Destination Congress Heights: $840,656, as reported by the Congress Heights Community Training and Development Corporation to the IRS in 2014**
   - **Deanwood Heights Main Streets, $281,568, as reported to the IRS in 2014**
   - **H Street Main Street, $822,875, as reported to the IRS in 2013.**
   - **Historic Dupont Circle Main Streets: $384,408, as reported to the IRS in 2013**
   - **North Capitol Main Streets: $60,000, as reported to the IRS in 2013**
   - **Rhode Island Avenue Main Street: $220,090, as reported by the Friends of Rhode Island Avenue to the IRS in 2013**
   - **Shaw Main Streets: $582,132, as reported to the IRS in 2013**
   - **Tenleytown Main Street: $200,000 grant awarded in February 2016**
   - **Van Ness Main Street: $200,000 grant awarded in February 2016**

   - Identify all alternative sources of funding for which Main Street organizations are eligible.

   Answer:
   - **As private nonprofit organizations, each Main Street program has unlimited access to any type of funding. Below is a list of some sources which the current programs have accessed.**
     - **Art All Nights grants from the DC Commission on Arts and Humanities**

- **Storefront Facade Improvement and Small Business Technical Assistance grants from the DC Department of Housing and Community Development**
- **Sponsorships of events from private businesses**
- **General donations from businesses and property owners**

66. Please provide the following information for the District's Business Improvement Districts:

- A description of each BID Litter Cleanup Assistance Program, including the role of each government or non-government institution that interacts with the program; and

- Spending plan for each BID.

Answer: DSLBD provides NO oversight of BIDs. The Agency's only interaction with BIDs is the initial certification and subsequent re-certification every five years. During the certification process, DSLBD determines monitors the applicant organization's outreach to affected commercial property owners and validating required minimum number of petitions requesting a BID. Any information about plans and budgets in DSLBD's files, would date to the most recent recertification. Below are the certification and recertification dates for all the BIDs.

Adams Morgan BID
Established in 2005 and recertified in 2010. The BID will request recertification before Sept. 30, 2016.

Anacostia BID
Established in 2012 and will request re-certification before Sept. 30, 2017.

Capitol Hill BID
Established in 2002 and recertified in 2007 and 2012. The BID will request recertification before Sept. 30, 2017.

Capitol Riverfront BID
Established in 2007 and recertified in 2012. The BID will request recertification before Sept. 30, 2017.

Downtown DC BID
Established in 1997 and recertified in 2002, 2007, and 2012. The BID will request recertification before Sept. 30, 2017.

Georgetown BID

Established in 2009 and recertified in 2014. The BID will request recertification before Sept. 30, 2019.

Golden Triangle BID

Established in 2008 and recertified in 2013. The BID will request recertification before Sept. 30, 2018.

Mount Vernon Triangle BID

Established in 2009 and recertified in 2014. The BID will request recertification before Sept. 30, 2019.

NOMA BID

Established in 2007 and recertified in 2012. The BID will request recertification before Sept. 30, 2017.

Southwest BID

Established in 2014 and will request recertification before September 30, 2019.

67. Please provide an update on the establishment of the Tenleytown and Van Ness Main Streets that were funded in the FY16 budget.

Answer: Both programs have incorporated and received a business license. They have received their first disbursement from the DC Main Streets grant of $60,000 each. Van Ness Main Street has already received its tax exemption status from the IRS. Both programs have hired executive directors and are in the process of procuring initial training on the Main Street Approach. Contact information for each program is as follows.

TENLEYTOWN MAIN STREET
4000 Albemarle Street, NW, Suite 304
Washington, DC 20016
202-362-1815
www.tenleytownmainstreet.org
Leigh Catherine Miles Executive Director
lcmiles@tenleytownmainstreet.org

VAN NESS MAIN STREET
4401A Connecticut Avenue, NW #126
Washington, DC 20008
240-462-9664
Teresa A. Cameron, Executive Director
tkcameron@gmail.com

IX. Spending Pressures

68. Please answer the following related to spending pressures:
    ● Please identify and explain any and all spending pressures for the current fiscal year;
    ● Please explain your plans to curtail spending to remedy these pressures;
    ● Will this plan result in a balanced agency budget;
    ● For potential spending pressures please identify how the agency will curb spending; and
    ● Please explain how any current or potential spending pressures will affect services to
        the public.