



DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT

FY 2023 PERFORMANCE ACCOUNTABILITY REPORT

JANUARY 16, 2024

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1 DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT

Mission: The Department of Small and Local Business Development (DSLBD) supports the development, economic growth, and retention of District-based businesses, and promotes economic development throughout the District's commercial districts.

Services: The Department of Small and Local Business Development provides assistance and services to District-based businesses by positioning them to compete successfully for local, federal, and global business opportunities. DSLBD does so by advocating and promoting small business; providing one-on-one technical assistance, workshops, and training; certifying companies to do business in the city; and fostering small business development in commercial districts.

2 2023 ACCOMPLISHMENTS

Accomplishment	Impact on Agency	Impact on Residents
<p>The participation of a record-breaking number of local businesses in the Certified Business Program (CBE) Program</p>	<p>The Department has been successful in attracting more local business participation to the CBE Program by simplifying the certification and re-certification processes, ramping up compliance and enforcement against bad actors, and introducing legislation to strengthen the integrity of the program in support of bona fide local businesses.</p>	<p>In FY23, a record-breaking 2,000-plus local, certified businesses participated in the program.</p>
<p>The expansion of CBE Green, a grant program that encourages CBEs to help build capacity for other CBEs</p>	<p>CBE Green furthers the Department's priorities of building capacity for local businesses, fostering more opportunities with a focus on equity, and promoting businesses to business collaboration. Through partnership with the Department of Energy and Environment (DOEE), CBE Green awards grants to CBE service firms to provide critical back-office supports for other CBEs, namely certified small business enterprises (SBEs), resident-owned businesses (ROBs), or disadvantaged business enterprises (DBEs) interested in pursuing contract and procurement opportunities with the DC Sustainable Energy Utility (DCSEU), an entity committed to helping District residents, businesses, and institutions save money through energy efficiency and renewable energy programs.</p>	<p>Since its inception in FY22, the agency has awarded over \$500,000 in equitable contract services grants to 10 CBEs to provide back office supports to close to 200 CBEs wanting to enter the Green space. In FY23, this grant program was further expanded to provide reimbursable grants to 9 eligible businesses for expenses incurred to maintain business operations in pursuit of contracting opportunities with the DC Sustainable Energy Utility (DCSEU).</p>

(continued)

Accomplishment	Impact on Agency	Impact on Residents
<p>The creation and launch of the INNOV Loan Fund to empower and support District cannabis businesses and aspiring resident entrepreneurs</p>	<p>The creation of the INNOV Loan Fund better positioned the agency to directly address barriers to legal cannabis market access for local resident entrepreneurs, particularly those from traditionally underserved populations, returning citizens, and veterans. The Fund's June 2023 launch was the culmination of extensive research, community outreach, partnership engagement, and overall planning by DSLBD. Beginning in October 2022, DSLBD engaged with over 500 community stakeholders on the topic of equitable access to the legal cannabis market through a series of agency-hosted learning and networking salons.</p>	<p>The INNOV Loan Fund is a first-of-its-kind, innovative initiative designed to provide enhanced financial support to marginalized local residents attempting to operate in the high barrier-to-entry legal cannabis industry. These persons often face significant and multiple obstacles when trying to obtain funding through traditional banking institutions. The Fund addresses this barrier by offering an alternative means for financial assistance to these individuals.</p>

3 2023 OBJECTIVES

Strategic Objective

Develop and maintain a streamlined, efficient certification process for businesses wanting to certify with the DC Government.

Assist agencies in complying with legal requirements in accordance with DC Code 2-218.01 et seq.

Effectively manage the Small Business Capital Access Fund.

Leverage business development through coordinated technical and financial assistance, strategic partnerships and stakeholder engagement.

Extend economic development to District neighborhoods through commercial revitalization initiatives and programs.

Create and maintain a highly efficient, transparent, and responsive District government.

4 2023 OPERATIONS

Operation Title	Operation Description
Develop and maintain a streamlined, efficient certification process for businesses wanting to certify with the DC Government.	
Process Certified Business Enterprise (CBE) applications in an average of 30 business days: Daily Service	DSLBD is committed to simplifying the bureaucratic process. By simplifying the regulatory environment, we anticipate more entrepreneurs will register as CBEs and others will no longer be afraid of doing business in the city. We will also continue to make improvements to our certifications and compliance staff to maximize efficiency and ensure customer service. This is a rolling initiative.
Assist agencies in complying with legal requirements in accordance with DC Code 2-218.01 et seq.	
Provide Compliance training and outreach to monitored agencies: Daily Service	To ensure agencies are fully compliant with requirements according to 2-218.01 et seq., the Compliance division will conduct ongoing training sessions and targeted outreach to key staff across monitored agencies.
Compliance Monitoring and Enforcement: Daily Service	Compliance staff will monitor agency spend, investigate complaints, track and assess agency reporting and enforce 2-218.01 in order to ensure full compliance with the law.
Effectively manage the Small Business Capital Access Fund.	
Implement District Capitalized: Key Project	District capitalized is a comprehensive program that will leverage the Small Business Capital Access Fund in order to provide firm with the necessary capital to sustain and operate a business in the District.
Leverage business development through coordinated technical and financial assistance, strategic partnerships and stakeholder engagement.	
Workforce and service integration support: Daily Service	Support the alignment of small business development, entrepreneurship, education and workforce development.
Develop strategic partnerships to assist small business development: Daily Service	The business development programs of DLSBD will aid small businesses by identifying and entering into strategic partnerships so as to leverage financial, technical and operational assistance from private, regional, state and federal partners.
Target resources to attract, retain and prepare businesses for procurement and other opportunities: Daily Service	The business development programs of DLSBD will support small businesses in obtaining contracts and other opportunities by providing training, counseling, educational outreach and matchmaking services.
Extend economic development to District neighborhoods through commercial revitalization initiatives and programs.	
Continue to provide support and grant management to DC Main Streets and Clean Teams.: Daily Service	DSLBD will continue to provide essential assistance, grant management and oversight and technical support to Main Streets and Clean Team grantees.

5 2023 STRATEGIC INITIATIVES

In FY 2023, Department of Small and Local Business Development had 6 Strategic Initiatives and completed 50%.

Title	Description	Update
Waiver Analysis	<p>DSLBD's Business Opportunity Division will conduct a detailed review of all waivers granted within the past two (2) years to identify trends and opportunities. We will look for waivers which could be avoided if SBEs were able to change their business model to better fit the solicitation. Examples of changing a business model could include hiring certified staff or obtaining business certifications which are specified in solicitations. Other changes could include adding new product lines or gathering experience from other clients which would make an SBE better qualified for work with the District Government. DSLBD will produce workshops and provide one-on-one counseling with SBEs to share the results of this research. Through sharing information about opportunities, SBEs will be able to successfully compete for more contract opportunities with District agencies.</p>	<p>Completed to date: 0-24%</p> <p>The Business Opportunities team will dedicate one person to review the Waiver portal and work with the Compliance team to enhance the experience and know how of the CBEs. The Business Opportunities team will also include a training on Waivers for CBEs to provide General information.</p> <p>The work on this initiative will continue into FY24.</p>

Capture additional requirements and incorporate additional functionality for the District Enterprise System (DES)

Continue capturing and fine tuning the requirements for Compliance (PPD), Small Business Technical Assistance (formerly Business Opportunities) and the Grants DES modules. For Compliance, automate the budget and payment data from the District Integrated Financial System (DIFS). Continue with the development of the Grants Monitoring processes and the development of the Grants Application processes. Both processes will include the internal work flows required by the DSLBD Grant staff as well as the capability for the Grant Applicants, Panel Reviewers, and the Grantees to be able to access the system and provide input.

Completed to date: 75-99%

The Grants team is utilizing the Reporting, Expenses and Grants Business Records. They are working with the development team to resolve any bugs, and/or necessary functionality i.e. updating the screen layout to include file upload and saving business records. The team is also refining their system administrator permissions i.e. setting user permissions by role and specifying access. Compliance - The PPD User Stories have been reviewed by the DES team and the development and QA testing is in-progress. A known roadblock is the development team losing a developer in September until around January 2024. This has/will affect the overall project timeline. The PPD team will begin UAT and the Pilot period in October 2023. The DES Development team will provide an updated schedule for FY24. The DES Development team will be meeting with the Compliance team to gather requirements for the Waiver process.

Based on the development team's current implementation process, fixes/builds (any development work must be uploaded individually) to each environment, additional time must be accounted for testing and bug fixes. All parties are aware of this issue. A software tool has been suggested to OCTO to investigate, vet and hopefully purchase in FY 24 to expedite future development and deployments.

The Certification team has resolved most CBE data issues. Those have been shared with the DES and OCTO Data Team. There are still 7 CBE's pending confirmation from the CBE owners. The Cert team has reached out to these CBEs and await their update.

The Product Owners met with the DES team in September to review the SBTA functional requirements. SBTA is finalizing its FRD and will provide a crosswalk for the development team to review along with the FRD. The team anticipates providing the FRD in November 2023. The DES team will then resume requirement and user story grooming.

Data Automation was not achieved during the quarter. OCP has signed the Data Sharing Agreement so we hope to work on automation in FY24. There are still roadblocks that need to be considered regarding the data automation including but not limited to the current project schedule and availability of all parties.

The work on this initiative will continue into FY24.

Finalize and Launch a Racial Equity Action Plan

In FY23 DSLBD intends to finalize and launch a Racial Equity Action Plan as part of our ongoing work with the DC Office of Racial Equity.

Completed to date: Complete

In Q4 the DSLBD Racial Equity Team drafted the narrative of proposed plan, and went through several rounds of internal staff feedback meetings to make final refinements following the consensus building model of all staff input. Following formatting and approval by the Office of the Director, we submitted the draft plan to the Office of Racial Equity for review and feedback.

Conduct Main Streets Feasibility Study

DSLBD will conduct a Main Street feasibility study in the amount of \$100,000 regarding the District's necessity, viability, benefits, and compatibility with current Main Street program participants.

Completed to date: Complete

The study was completed in Q3 and a final draft of the study was submitted to DSLBD.

Provide Technical Assistance to Small Business Owners in Underserved Main Street areas

DSLBD will work with Main Streets Programs to provide small business technical assistance support to small business owners located in Main Street corridors in underserved areas. Assistance will include small business essentials; business branding and marketing costs; and financial basics.

Completed to date: Complete
All Robust Retail funds were disbursed in Q3

Create CBE Capacity Building Partnerships

DSLBD's certification and business opportunity divisions will foster partnerships with District Government agencies to increase the utilization of CBEs within procurement opportunities. The focus will be the areas in industries that have no to low CBE participation; or where CBEs are unable to participate due to capacity limitations. Some areas we have identified with no or low CBE participation are in Forestry at DDOT and Environmental Engineering at DOEE. The partnerships will identify capacity issues that may prevent CBEs from obtaining opportunities with certain agencies and will stimulate the growth in capacity for CBEs in specific industries. This initiative may also grow CBEs that maintain the SBE certification category in certain industries with the use of DSLBD's mentor protégé program within partnerships created with other agencies or organizations. This initiative will help grow the number of active CBEs and will open opportunities, that were otherwise unavailable, to CBEs.

Completed to date: 75-99%
The Business Opportunities team will continue the successes from FY23 regarding strategic partnerships. Several different initiatives abound to include an increase to the CBE Green Grant by \$200K. This increase will allow for opportunities to grant and serve CBEs through a variety of activities to include a Pitch Competition and an increased capacity on the CBE Green Industry Rally. Another opportunity for strategic partnerships is to continue to work with the Certification team regarding a Mentor/Protégé program with DGS. The Business Opportunities team will also capitalize on the growth around Sports Wagering with several new Sportsbooks opening and offering opportunities for CBEs.
The work on this initiative will continue into FY24.

6 2023 KEY PERFORMANCE INDICATORS AND WORKLOAD MEASURES

Key Performance Indicators

Measure	Directionality	FY 2021	FY 2022	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4	FY 2023	FY 2023 Target	Was 2023 KPI Met?	Explanation of Unmet KPI
Develop and maintain a streamlined, efficient certification process for businesses wanting to certify with the DC Government.											
Percent of applications processed in under 30 business days	Up is Better	69.8%	84%	79%	80%	84%	90%	83.3%	80%	Met	
Percent of assigned applications reviewed within 10 business days	Up is Better	92%	96.8%	98%	89%	98%	93%	94.5%	90%	Met	
Assist agencies in complying with legal requirements in accordance with DC Code 2-218.01 et seq.											
Percent of monitored agencies participating in mandatory Expendable Budget training	Up is Better	100%	99%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	92%	100%	Nearly Met	While DSLBD is responsible for conducting the trainings, and makes every effort to get all agencies to attend, the non-compliance of an agency(s) is beyond DSLBD's control.
Percent of monitored agencies who achieved their Small Business Enterprise (SBE) spend goal	Up is Better	86%	91%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	Needs Data Update	85%		
Percent of monitored agencies reporting on subcontracting dollars with SBEs	Up is Better	100%	100%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	100%	100%	Met	
Percent of monitored contracts that have a performance period ending within the fiscal year that met its SBE subcontracting requirement	Up is Better	Not Available	Not Available	Annual Measure	Annual Measure	Annual Measure	Annual Measure	No data available	80%		
Percent of waiver requests processed within 20 days or less that were required to be responded to within the quarter	Up is Better	44.5%	66.5%	68%	87%	69%	83%	76.8%	50%	Met	
Effectively manage the Small Business Capital Access Fund.											

Key Performance Indicators (continued)

Measure	Directionality	FY 2021	FY 2022	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4	FY 2023	FY 2023 Target	Was 2023 KPI Met?	Explanation of Unmet KPI
Total dollar amount of loans dispersed to small businesses	Up is Better	\$692,995.00	\$608,400.00	Annual Measure	Annual Measure	Annual Measure	Annual Measure	\$79,000	\$600,000.00	Unmet	Several conditions affecting the number of loans are external and outside DSLBD's control including; the number of businesses that opt to pursue debt financing versus grant funding; the amount businesses' request; and whether businesses referred to lenders can meet their qualification criteria; and the ongoing economic downturn caused by the Covid-19 pandemic has affected small businesses' the appetite for and ability to qualify loans.
Leverage business development through coordinated technical and financial assistance, strategic partnerships and stakeholder engagement.											
Total dollar amount in opportunities for small businesses as a result of business development coaching and matchmaking activities	Up is Better	\$4,328,484	\$1,500,887	Annual Measure	Annual Measure	Annual Measure	Annual Measure	\$6,695,038	\$4,000,000	Met	
Total contract dollar amount awarded to PTAC clients	Up is Better	\$57,989,916.50	\$31,170,435.00	\$3,186,303.00	\$8,315,036.00	\$16,812,324.20	\$15,412,066.00	\$13,725,729	\$30,000,000	Met	
Extend economic development to District neighborhoods through commercial revitalization initiatives and programs.											
Percent of invoices processed within 5 business days	Up is Better	97.5%	94.8%	100%	96%	96%	100%	98%	95%	Met	

Workload Measures

Measure	FY 2021	FY 2022	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4	FY 2023
Process Certified Business Enterprise (CBE) applications in an average of 30 business days							
Number of CBE applications received	668	641	144	170	132	138	584
Number of Certified Business Enterprises (CBEs)	1,957	1,973.8	1,967	1,983	2,004	2,023	1994.3
Compliance Monitoring and Enforcement							
Number of spot checks conducted	1,342	1,337	Annual Measure	Annual Measure	Annual Measure	Annual Measure	452
Number of waivers received in the fiscal year	304	306	Annual Measure	Annual Measure	Annual Measure	Annual Measure	341
Number of active public private development projects	109.5	108	Annual Measure	Annual Measure	Annual Measure	Annual Measure	119
Number of monitored agencies reporting subcontracting dollars	25	21	Annual Measure	Annual Measure	Annual Measure	Annual Measure	26
Dollar value of verified public private development subcontractor payments	\$442,788,961.52	\$428,257,615.94	Annual Measure	Annual Measure	Annual Measure	Annual Measure	\$248,122,329
Number of monitored agencies	New in 2022	89	Annual Measure	Annual Measure	Annual Measure	Annual Measure	90
Provide Compliance training and outreach to monitored agencies							
Number of mandatory training sessions held	15	11	Annual Measure	Annual Measure	Annual Measure	Annual Measure	10
Develop strategic partnerships to assist small business development							
Dollar amount of opportunities as a result of strategic partnerships	\$12,095,000.00	\$1,628,000.00	Annual Measure	Annual Measure	Annual Measure	Annual Measure	\$8,284,349.6
Number of strategic partnerships maintained	160	900	Annual Measure	Annual Measure	Annual Measure	Annual Measure	492
Number of grantees and/or pitch participants supported	285	486	101	128	326	107	662
Target resources to attract, retain and prepare businesses for procurement and other opportunities							
Number of business development coaching/counseling hours	4,099.2	3,835	Annual Measure	Annual Measure	Annual Measure	Annual Measure	4152.5
Number of business development coaching/counseling/training/matchmaking events	333	405	Annual Measure	Annual Measure	Annual Measure	Annual Measure	245
Number of small business participants in coaching/counseling training/matchmaking events	14,469	14,614	Annual Measure	Annual Measure	Annual Measure	Annual Measure	11,129
Number of returning citizen businesses and entrepreneurs supported through technical assistance and training	209	1,093	96	301	450	65	912

Workload Measures (continued)

Measure	FY 2021	FY 2022	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4	FY 2023
Number of small business promotion events/posts	500	108	62	10	11	27	110
Percent increase of qualified CBE DC PTAC clients	100%	41.8%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	19%
Number of training sessions for CBE small businesses that are looking to do business with DC Government and/or the Federal Government	51	48	Annual Measure	Annual Measure	Annual Measure	Annual Measure	36
Influential capital and revenue for DC-Based Businesses	\$2,783,465.00	\$2,682,941.70	Annual Measure	Annual Measure	Annual Measure	Annual Measure	\$971,500
Workforce and service integration support							
Number of returning citizen businesses and entrepreneurs supported with access to capital and financing	41	220	16	0	23	131	170
Continue to provide support and grant management to DC Main Streets and Clean Teams.							
Number of DC Main Street Organizations	26	28	Annual Measure	Annual Measure	Annual Measure	Annual Measure	28
Number of business development counseling hours with Main Streets Programs	938	298	35	75	108	12	230
Number of training sessions held	45	44	2	3	18	0	23
Number of Clean Team Programs	New in 2023	New in 2023	Annual Measure	Annual Measure	Annual Measure	Annual Measure	40
Amount of Neighborhood Revitalization Grants Allocated	10,343,202	13,649,592	11,694,248	645,500	0	0	12,339,748
Number graffiti removed in commercial corridors by Clean Teams	16,277	20,909	7,201	7,202	7,439	7,472	29,314
Number of jobs created or maintained for Clean Team Crew Members	462	642	137	137	137	137	548
Pounds of litter and recyclables collected in commercial corridors by Clean Teams	9,785,208	433,315	93,600	93,070	84,080	2,191,120	2,461,870