# B2Gnow

# Building Capacity: Houston METRO's SBE Program Sets a Standard for Compliance

## The Challenge

METRO's Office of Economic Business Opportunity (OEBO) needed a robust, automated compliance system to manage its complex local programs and growing project portfolio. This became urgent in 2008 as METRO was in the early stages of the largest Design-Build Finance project in METRO's history. Manual processes and fragmented tracking were inadequate for overseeing the volume and complex compliance requirements (DBE, SB program) for projects of this scale.

While the B2Gnow system was initially adopted to manage this project scale, the complexity increased because the unique nature of the Design-Build Finance project required the use of specific configuration options within B2Gnow. As a result of the combined efforts of METRO and B2Gnow, METRO's race- and gender-neutral SBE Program was able to ensure SB participation through the implementation of its strict and unique policies:

- **Enforcing Pre-Award Commitments:** The "No Good Faith Effort" (GFE) rule required the agency to track and verify that bidders identified all certified subcontractors to be used to perform the scope of work in the Contractor Utilization Plan (CUP) before contract award. Failure to submit the CUP or identify all vendors would deem the bidder/proposer nonresponsive.
- **Prompt Payment Oversight:** Enforcing their 5-day prompt payment policy, considered one of the most aggressive in the industry, required a systematic method for tracking subcontractor payments immediately after METRO's payment to the Prime.
- **Reporting Complexity:** Gathering and reporting accurate, auditable data for internal stakeholders and external reports, such as the bi-annual FTA report, needed to be centralized and automated.

## The Solution

METRO chose the B2Gnow Vendor Management solution in 2008 because its platform was deemed the best for tracking, monitoring, and reporting small business participation and compliance during a critical period.

METRO worked closely with B2Gnow to shape the solution. Together, they drove key solution enhancements that addressed immediate project needs and became foundational platform features. By leveraging existing features and implementing collaborative enhancements, METRO ensured the enforcement of its high standards:

## METRO

The Metropolitan Transit Authority of Harris County (METRO) provides public transportation for the Houston metropolitan area. METRO serves 1,303 square miles, transports millions of riders annually, and is a cornerstone of the region's infrastructure.

The Office of Economic Business Opportunity (OEBO), led by Director Otis Johnson, oversees five programs, including the METRO Small Business Enterprise (SBE) Program. The OEBO is crucial to METRO's procurement policy of promoting equal opportunity and non-discrimination.

The program's core mission is to help small businesses build capacity and do business with METRO through training, technical assistance, and outreach, working toward an annual 35% Small Business (SB) aspirational goal.

- To Enforce Pre-Award Commitments (No GFE Rule): Pre-award tracking of the Contractor Utilization Plan (CUP) enforces the "No GFE" rule and ensures Prime accountability.
- To Manage Prompt Payment Oversight: Designed in partnership with METRO, the Prompt Payment Report allows real-time monitoring and enforcement of its 5-day payment policy, which requires primes to pay their subcontractors within 5 business days of receipt of payment from METRO.
- To Resolve Reporting Complexity: Pre-configured and customized reporting tools streamline data collection and analysis for accurate audit preparation and essential FTA reporting.
- To Ensure Deep-Tier Accountability: The solution was enhanced, enabling METRO to track lower-tier subcontractors and suppliers, a capability that now extends up to 10 levels.

Otis Johnson, Director, OEBO, emphasizes that B2Gnow has become "a critical tool for all our data gathering, tracking, and reporting requirements". The solution is so integral to the daily workflow that "it would be extremely difficult for me and my team to do our jobs effectively and efficiently without B2Gnow."

# The Results

The B2Gnow solution has been integral to METRO's ability to enforce high standards and achieve outstanding results, shifting the OEBO team from administrative tasks to strategic leadership.

- Sustained Diverse Participation: Despite being a race- and gender-neutral program, METRO consistently achieves over 90% minority and women-owned business participation on contracts with an SB goal.
- Program Integrity: The SB Program plays a significant role in whether a bidder is deemed responsive or nonresponsive. The solution ensures Primes are held accountable to the Contractor Utilization Plan (CUP) and meet the prompt payment standards.
- Operational Efficiency: The B2Gnow Dashboard feature enables the team to focus on key indicators, helping them better prioritize tasks. The system also frees up staff time, enabling faster responses to stakeholder requests.
- Enhanced Compliance Confidence: The system's reports ensure consistent, accurate reporting for the bi-annual FTA report, which is critical for compliance and eligibility for FTA funding.

The B2Gnow solution was essential in advancing Houston METRO's OEBO operations. Its automation enforced strict policies, including the 'No GFE' rule and the 5-day prompt payment policy, which enhanced SBE Program integrity. This allowed METRO to consistently surpass participation goals and maintain trust in compliance, demonstrating that a high-integrity system is crucial for ongoing success.

**About B2Gnow Vendor Management Software**

B2Gnow delivers leading software solutions that promote accountability, transparency, and compliance in public and private contracting. For over 25 years, agencies across North America, including federal, state, local, education, and Fortune 500 organizations have relied on B2Gnow to manage complex compliance programs. Its integrated platform includes B2Gnow for vendor management, certification, goal tracking, and DBE/MBE/SBE/WBE compliance reporting, eComply for prevailing wage and workforce reporting, and BlackCat for grant management and project oversight. Purpose-built for infrastructure projects, B2Gnow's technology enhances transparency, reduces risk, and strengthens communities. Learn more at www.b2gnow.com.

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**By leveraging the B2Gnow Vendor Management solution, Houston METRO's OEBO secured high-integrity compliance, maximizing participation and freeing staff for strategic oversight.**

**Maximizes Participation**

Consistently exceeds 90% diverse business participation.

**Ensures Integrity**

Enforces 'No GFE' and 5-day prompt payment.

**Instills Confidence**

Provides auditable data for FTA reporting.

**Saves Time**

Frees staff for strategy, speeds stakeholder responses.

For more information visit B2Gnow.com or call 602-325-9277.

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