

Minority and Small Business Enterprises



**2007
Annual Report**



Definitions

- **Minority Business Enterprise (MBE)**
 - Defined by the State Finance Procurement Article 14-301 for State Construction, any legal entity that is:
 - at least 51% owned and controlled by one or more minority individuals or;
 - a non-profit entity organized to promote interests of the physically or mentally disabled.
 - State-funded contracts – must be certified by the Maryland Department of Transportation (MDOT)
 - County-funded contracts – must be certified by the MDOT or other recognized municipalities or minority associations.



Definitions (continued)

- **Minority Groups**
 - African Americans
 - Asian Americans
 - Hispanic Americans
 - Native Americans
 - Women
 - Persons with disabilities



Definitions (continued)

- Small Business Enterprise (SBE) as defined by State Finance Procurement Article 14-201
 - A business with 1-100 employees, depending on classification
 - Generates an annual revenue of less than \$7 million (for construction), and \$2 million for other business classifications



Board Policies and Superintendent's Rule

- Board Policy and Superintendent's Rule 3200 – Purchasing from Minority and Small Business Enterprises
- Board Policy 7460 – Construction – Purchases from Minority Businesses
- Sets goals for MBE/SBE involvement
- Specific goals for all contracts
 - 14% total value of contracts from both MBEs and SBEs
- Sets compliance with state contract goals



State Regulations (14-302)

- Goal for State-funded Public School Construction Contracts
 - 25% total value of contracts from MBE
 - 7% minimum classified as African American
 - 10% minimum classified as Woman-owned
 - Specifically looks at subcontractors in addition to initial contractor



Board Goals of Surrounding LEAs

- Anne Arundel County Public Schools
 - 14% total value of board (county) funded contracts
- Baltimore City Schools
 - 12% total value of board (city) funded contracts
- Carroll County Public Schools
 - No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- Harford County Public Schools
 - No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- Howard County Public Schools
 - No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- Montgomery County Public Schools
 - No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- Prince Georges County Public Schools
 - 30% of total value, with a minimum of 15%, for board (county) funded contracts



Contracting Process

- The need for a solicitation is identified by either a faculty or staff member
- The Office of Purchasing meets with the user to identify the specifications of the solicitation
- The solicitation is then developed and advertised by the Office of Purchasing on its Web page



Contracting Process (Continued)

- According to the Education Article of the Annotated Code of Maryland §5-112, once solicitations are received from prospective vendors, the Office of Purchasing, along with the user, evaluate the offers and award to the lowest responsive bidder who conforms to the specifications with consideration given to:



Contracting Process (Continued)

- The quantities involved
- The time required for delivery
- The purpose for which required
- The competency and responsibility of the bidder
- The ability of the bidder to perform satisfactory service
- The plan for utilization of minority contractors



Contracting Process (Continued)

- After an award vendor is determined, the award of contract is submitted to the Board of Education for approval
- After board approval, a contract is finalized and is executed



Contracting Process (Continued)

- State-funded Contracts
 - All invitations for bids outline MBE participation goals
 - Purchasing notifies the Maryland/Washington Minority Contractors Association (MWMCA) and Governor's Office of Minority Affairs of all available bids



Contracting Process (Continued)

- State-funded Contracts (continued)
 - A *Utilization Affidavit*, a *Schedule for Participation* and an *Outreach Efforts Compliance Statement* must be completed at the time of bid submission
 - As necessary, a request for a waiver must be submitted if the state goals cannot be met, and an *Unavailability Certificate for Minority Subcontractors* must be submitted



Contracting Process (Continued)

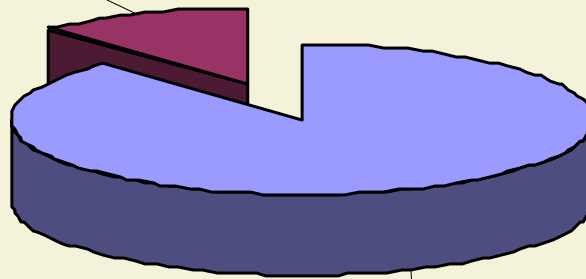
■ Board Contracts

- Invitation for bids contain county MBE/SBE goals for participation
- A *Utilization Affidavit* and a *Statement of Intent* must be submitted by all vendors at the time of bid submission
- As necessary, a request for a waiver and an *Unavailability Certificate for MBE/SBE Subcontractors* must be submitted if the county goals cannot be met

FY2007 Operating, Grants, Capital, and Food Services Expenditures Total \$1.3 Billion

Items Subject to
Competitive
Procurement Process

20%
\$265 million



Items not Subject to Bid
(Ex: utilities, salaries, benefits,
copyrighted materials [texts],
insurance, rent, maintenance fees)

80%
\$1.07 billion

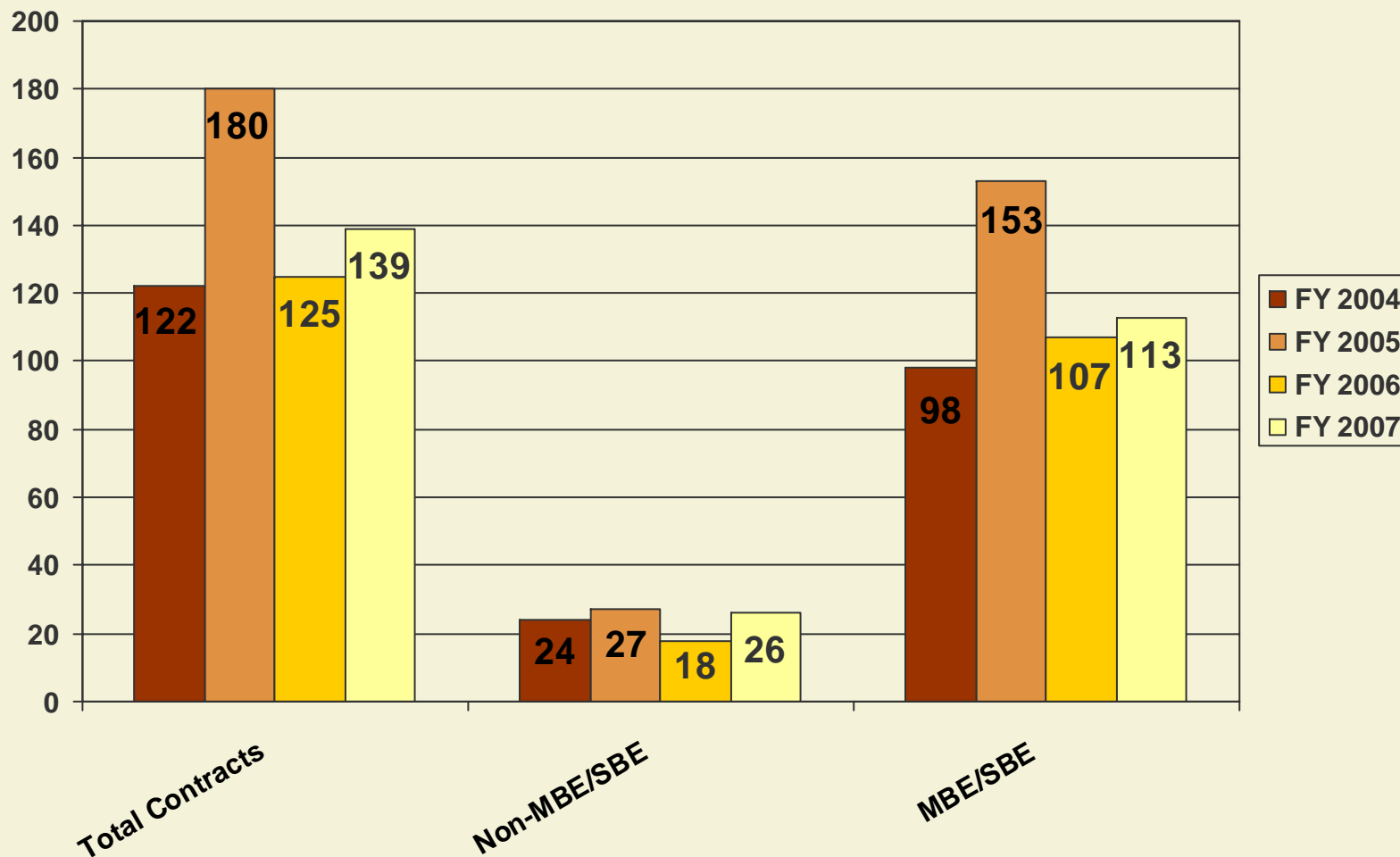


Annual Reporting Results FY 2004 - FY2007

Contract Awards that Include MBE/SBE Participation

(A single contract may include multiple MBE/SBE subcontractors)

July 1, 2003 through June 30, 2007



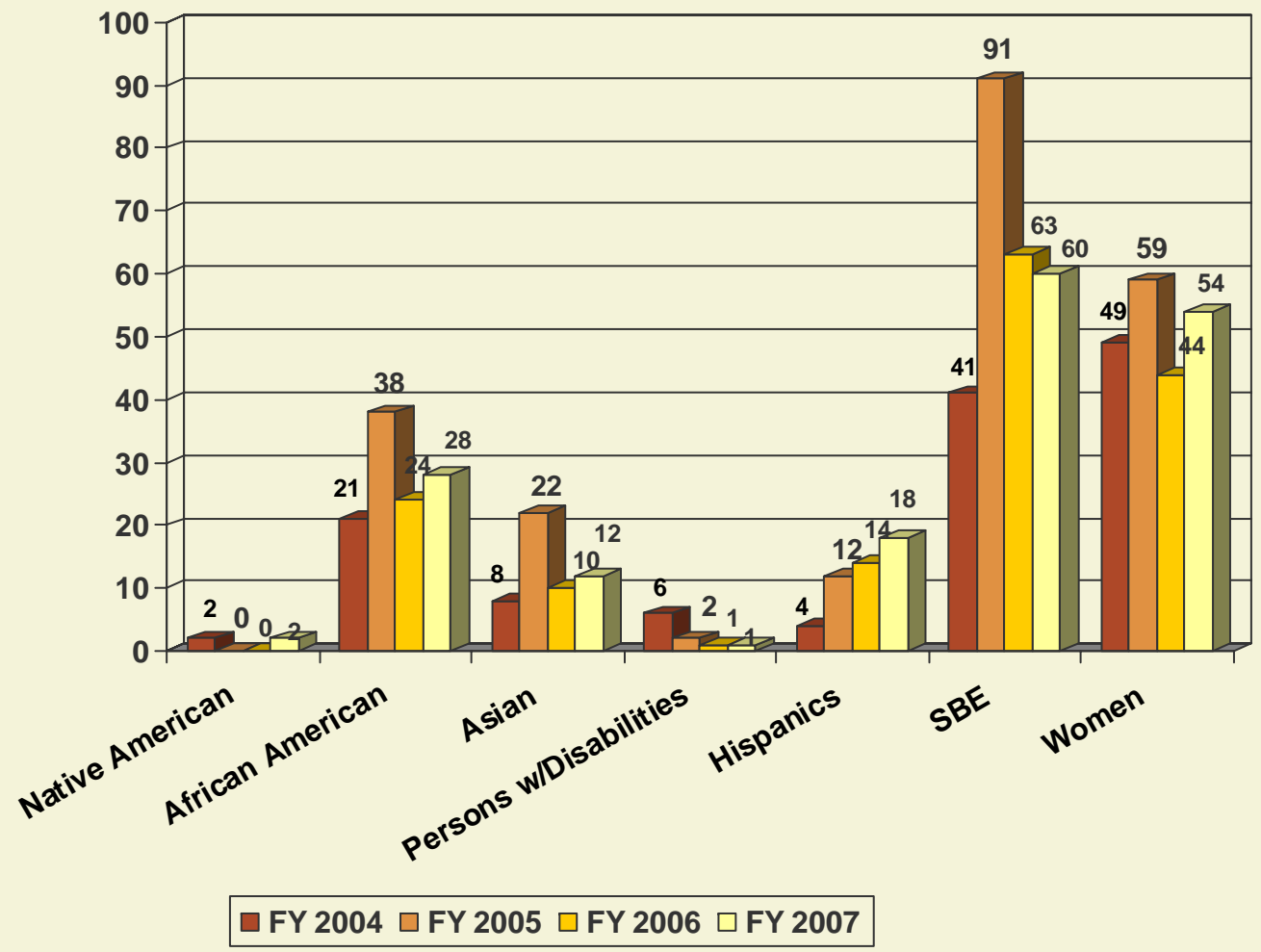


Annual Reporting Results FY 2004 - FY2007

Contract Awards that Include MBE/SBE Participation

(Includes all subcontractors)

July 1, 2003 through June 30, 2007

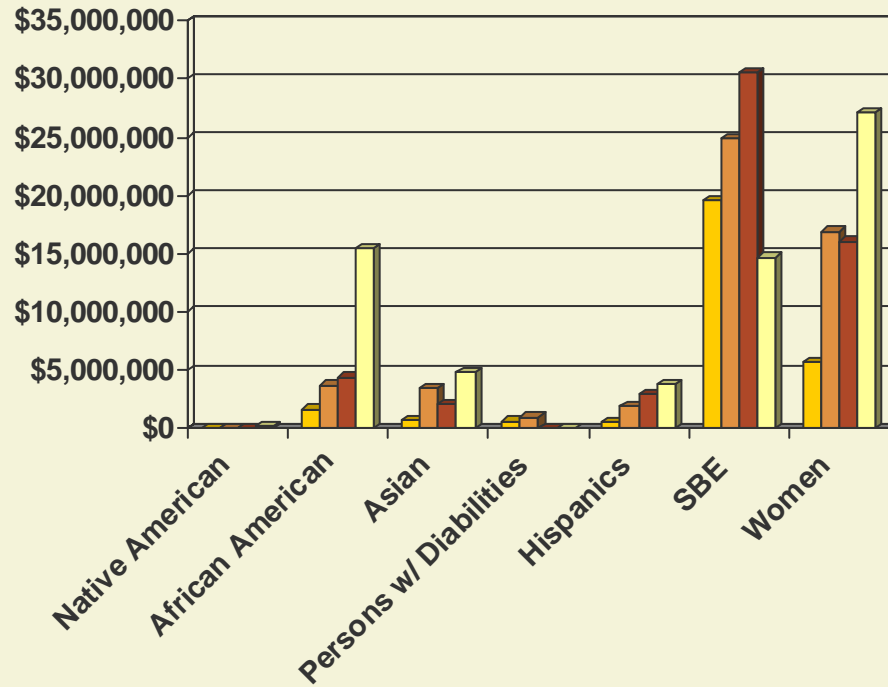




Annual Reporting Results FY 2004 - FY2007

Dollar Value of Participation that Includes MBE/SBE

July 1, 2003 through June 30, 2007



■ FY 2004 ■ FY 2005 ■ FY 2006 ■ FY 2007

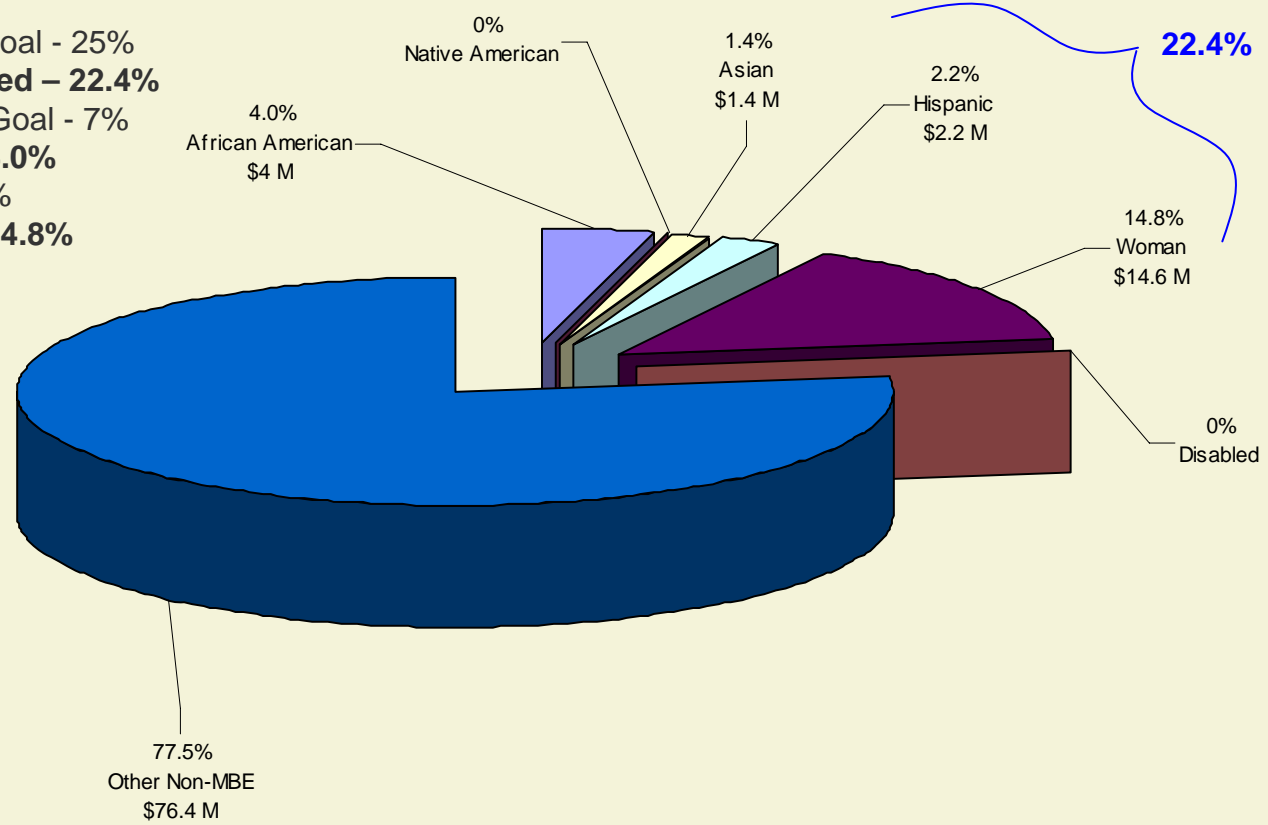


Annual Reporting Results FY2006

State-funded Contracts – Total \$98.7 million

MBE Participation for State-funded Construction Projects by Category
July 1, 2005 through June 30, 2006

Total State MBE Goal - 25%
Total Achieved – 22.4%
African-American Goal - 7%
Achieved – 4.0%
Woman Goal - 10%
Achieved – 14.8%

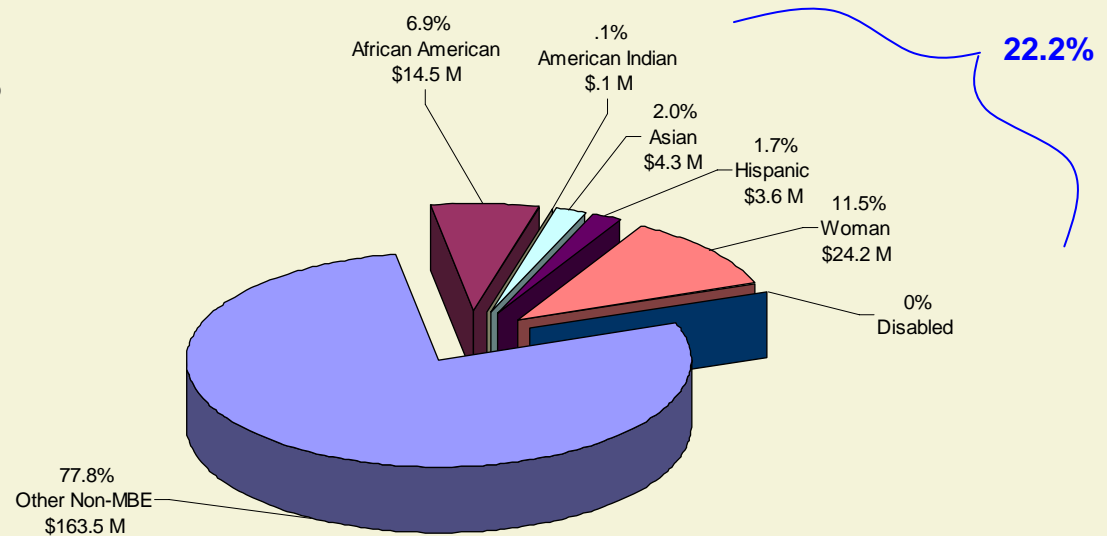


Annual Reporting Results FY2007

State-funded Contracts – Total \$210.2 million

MBE Participation for State-funded Construction Projects by Category July 1, 2006 through June 30, 2007

Total State MBE Goal - 25%
Total Achieved – 22.2%
African-American Goal - 7%
Achieved – 6.9%
Woman Goal - 10%
Achieved – 11.5%



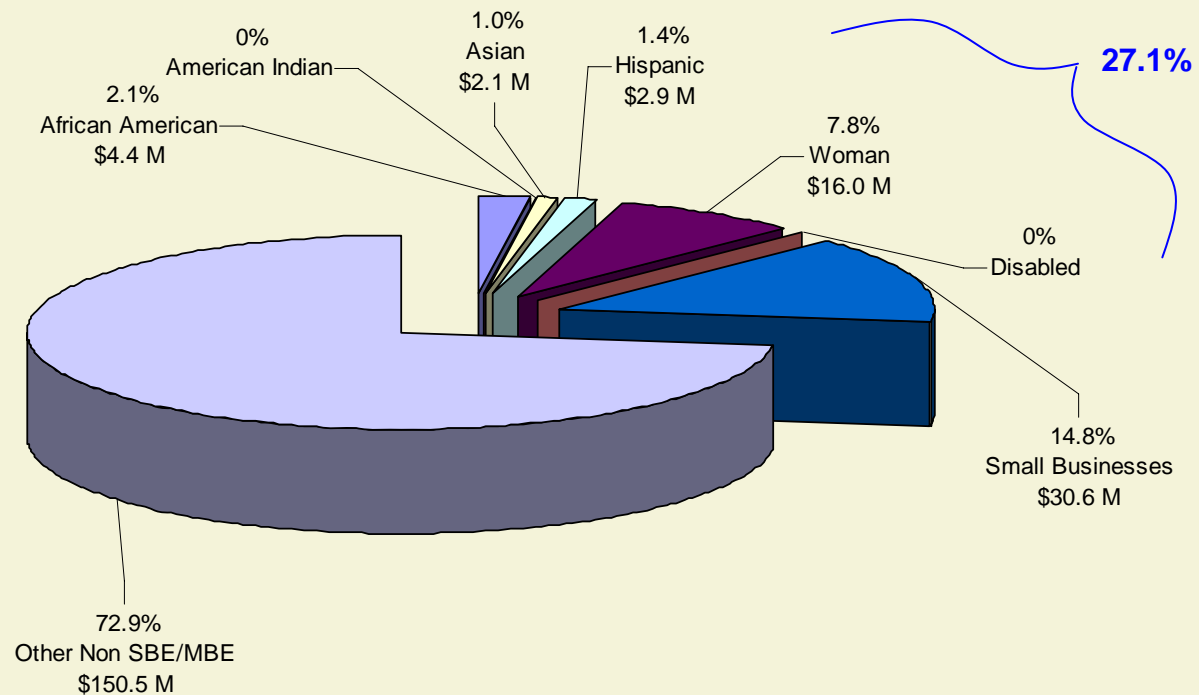
Annual Reporting Results FY2006

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$206.4 million

July 1, 2005 through June 30, 2006

Board MBE/SBE Goal - 14%
Total Achieved – 27.1%

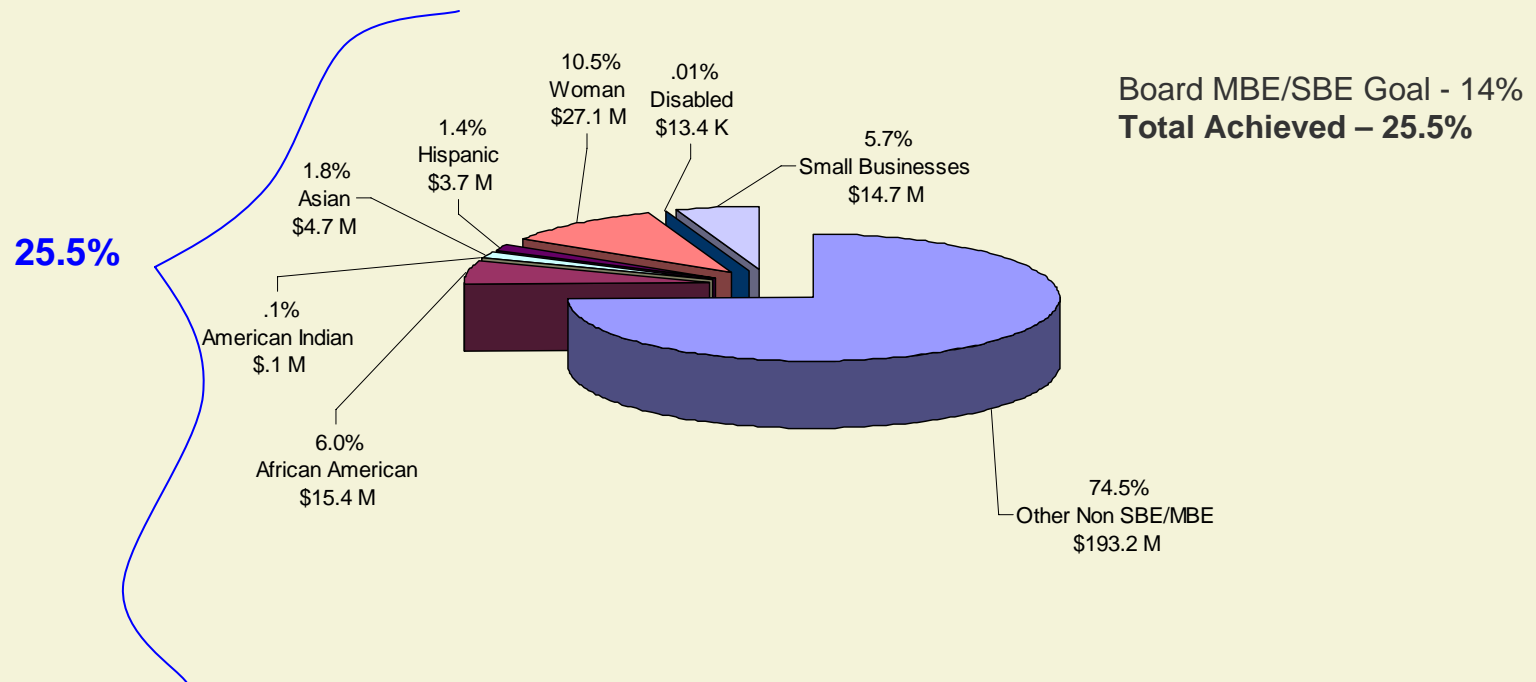


Annual Reporting Results FY2007

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$258.9 million

July 1, 2006 through June 30, 2007





Top Five Dollar Value Contracts FY 2007

Contract Name	Contract Value	MBE/SBE Participation Amount	MBE/SBE Participation %
Perry Hall Middle School Renovation	\$16,213,000	\$4,800,000	29.61%
Woodlawn Middle School Renovation	\$15,324,000	\$3,712,533	24.23%
Loch Raven Middle School Renovation	\$13,801,000	\$4,000,000	28.98%
General Stricker Middle School Renovation	\$13,695,111	\$471,465	3.44% *
Cockeysville Middle School Renovation	\$13,274,000	\$3,318,585	25.0%

* Due to the heavy workload of renovations already underway, many MBE subcontractors declined to bid on this project.



Reporting

- Annual Report – MBE/SBE
- Bimonthly Friday Letter – Minority and Small Business Enterprises Report – New Contracts



MBE Outreach Efforts

The MBE Officer for BCPS has:

- Participated in the Maryland Public Purchasing Association Reverse Trade Show
- Continued the use of a *Sub-Hub*, a Web-based bidder notification system for construction projects
- Participated in sessions during *Alliance Express Baltimore*, a trade show for small and minority businesses, to match contractors to BCPS needs
- Participated in Baltimore County MBE/WBE Procurement Fair