

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: October 20, 2009

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **MINORITY AND SMALL BUSINESS ENTERPRISES – 2009 ANNUAL REPORT**

ORIGINATOR: J. Robert Haines, Esq., Deputy Superintendent

RESOURCE PERSON(S): Barbara Burnopp, Chief Financial Officer

INFORMATION

The Board of Education and the State of Maryland have policies and regulations related to MBE/SBE participation on contracts. Board Policy 3200 requires the superintendent to report on the participation of minority and small business enterprise annually.

Attachment I – Minority and Small Business Enterprises – 2009 Annual Report

Minority and Small Business Enterprises



**2009
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.



Definitions (continued)

- **Minority Groups**
 - African Americans
 - Asians 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)

- Goals for State-Funded Public School Construction Contracts
 - New procedures require BCPS to set overall and minority specific MBE goals for each project.
 - A Procurement Review Group will review and analyze each project and the potential for certified MBE contractors to participate.
 - The recommended participation goals for the individual project is included in advertisements as well as the bid documents.
 - Specifically looks at sub-contractors in addition to prime contractor



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 their web page.
- Beginning in 2008, all state bids are advertised on eMaryland Marketplace and on their online system.



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 Superintendent and board for approval.
- After board approval, a contract is finalized and is executed.



State Contracting Process

- **State-funded Construction 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.
 - Purchasing directly notifies all pre-qualified contractors and all MBE contractors of available bids through on-line plan room.
 - MBE contractors must be certified by Maryland Department of Transportation (MDOT)



State Contracting Process

(Continued)

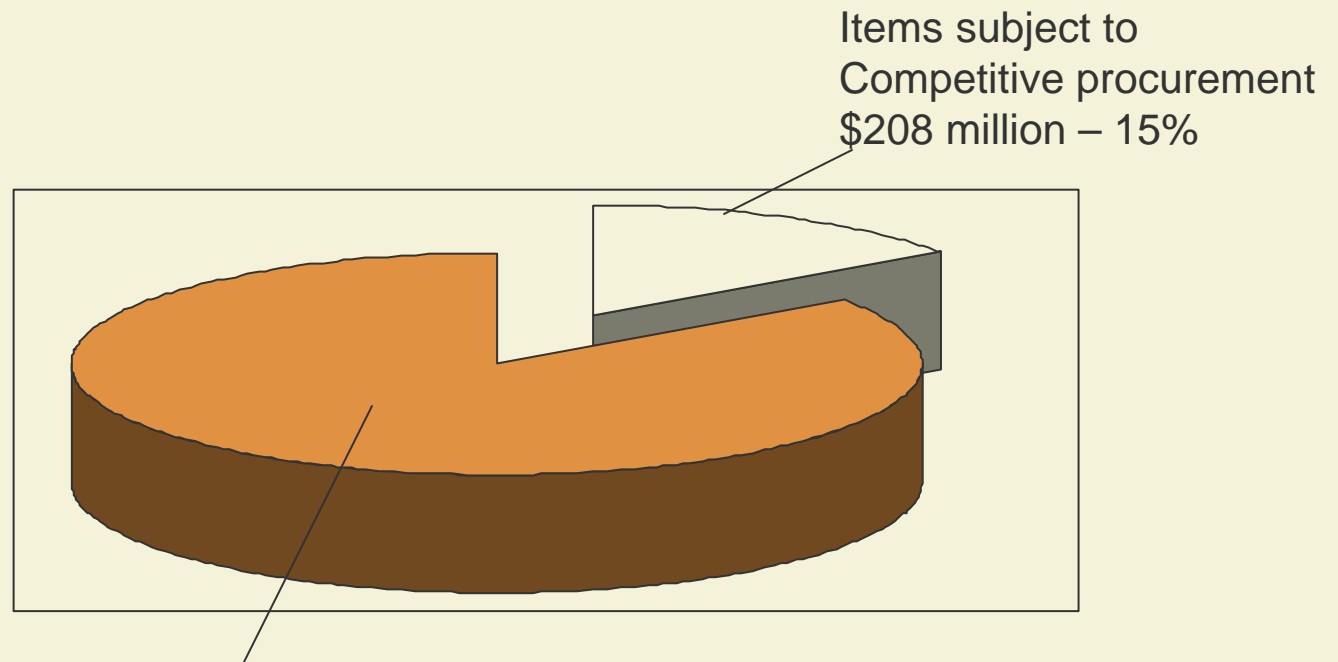
- State-funded Construction Contracts (continued)
 - A *Utilization Affidavit* and a *Schedule for Participation* must be complete and accurate at the time of bid submission.
 - As necessary, a request for a waiver must be submitted if the state goals cannot be met, and an *Unavailability Certificate for Minority Subcontractors* must be submitted.
 - If a waiver for any portion of the goal is requested, the contractor is required to submit full documentation of their good-faith effort to meet the goal.
 - The purchasing agent will review this documentation to confirm the good faith effort. If the effort put forth by the contractor does not meet established criteria, the bid must be found non-responsive.



County Contracting Process

- Invitation for bids contain county MBE/SBE goals for participation.
- A *Utilization Affidavit* and a *Statement of Intent* must be completed at the time of bid submission to BCPS by all vendors.
- As necessary, a request for a waiver must be submitted if the county goals cannot be met, and an *Unavailability Certificate for MBE/SBE Subcontractors* must be submitted.
- MBE contractors must be certified by MDOT or other recognized municipalities or minority associations.

FY2009 Operating, Grants, Capital, and Food Services Expenditures



Items not subject to competitive procurement (e.g. salaries, benefits, utilities, copyrighted materials, rent, insurance) \$1.15 Billion - 85%

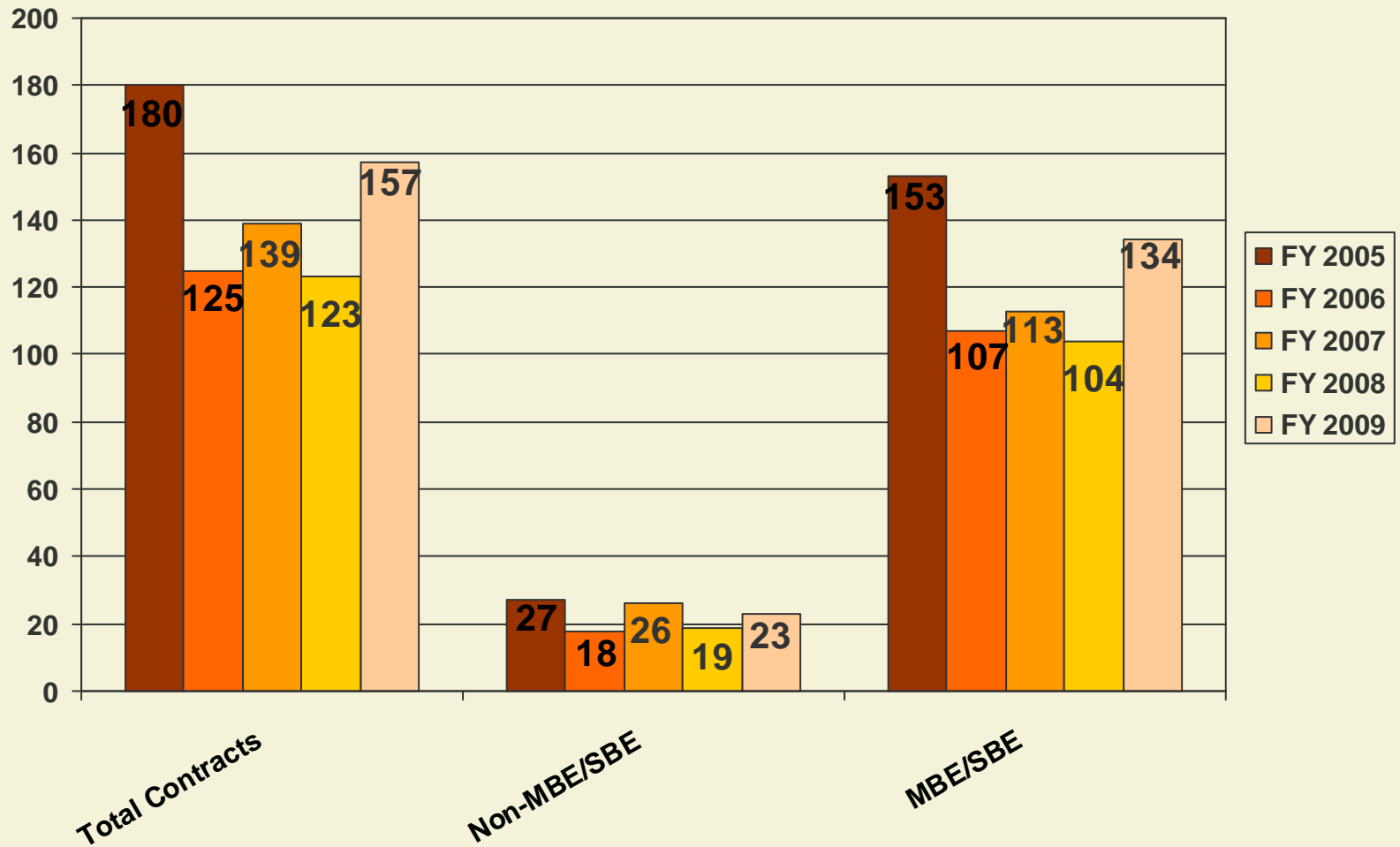
Items subject to Competitive procurement \$208 million - 15%



Annual Reporting Results FY 2005 - FY2009

Contract Awards That Include MBE/SBE Participation

July 1, 2004 through June 30, 2009

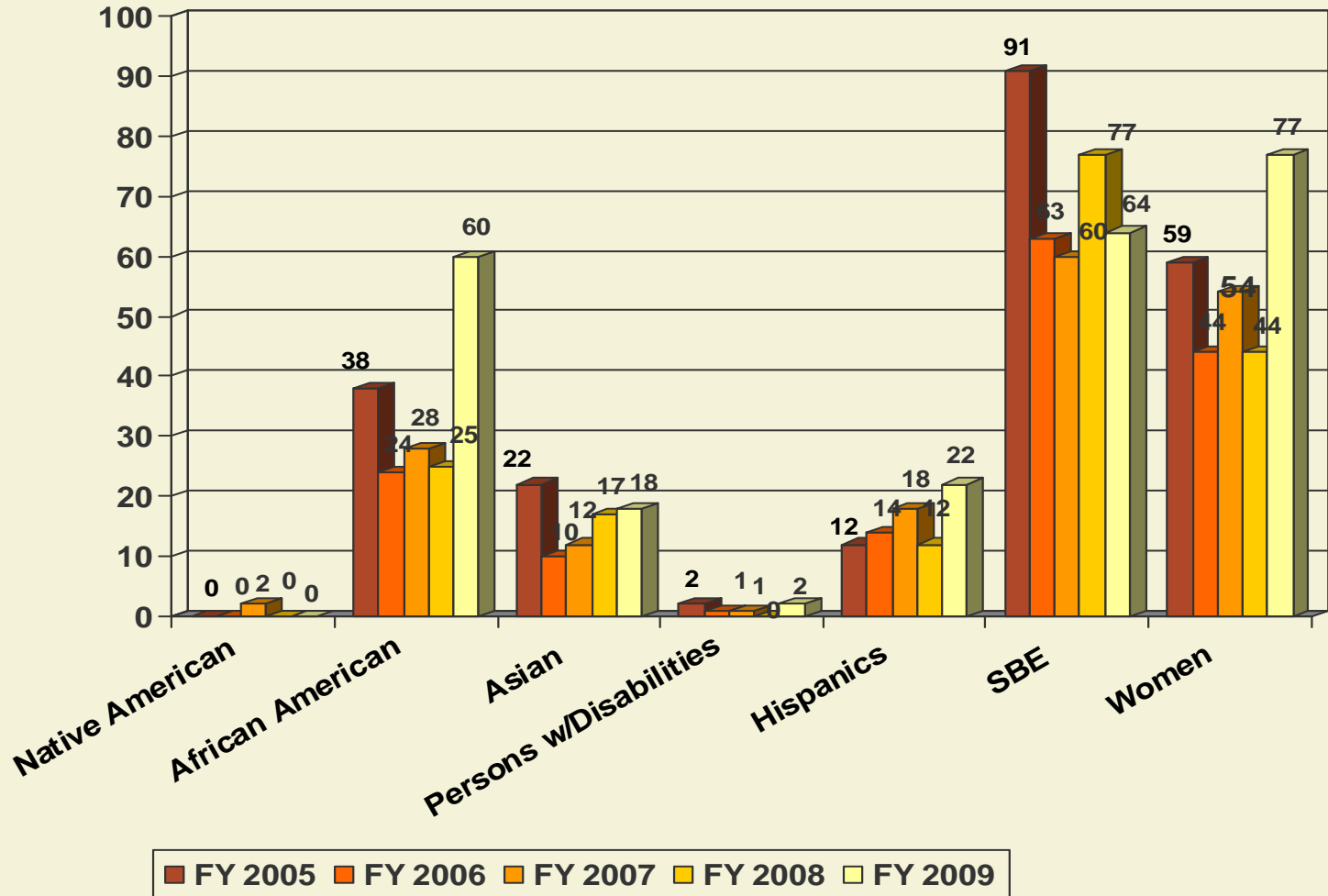




Annual Reporting Results FY 2005 - FY2009

Contract Awards That Include MBE/SBE Participation

July 1, 2004 through June 30, 2009

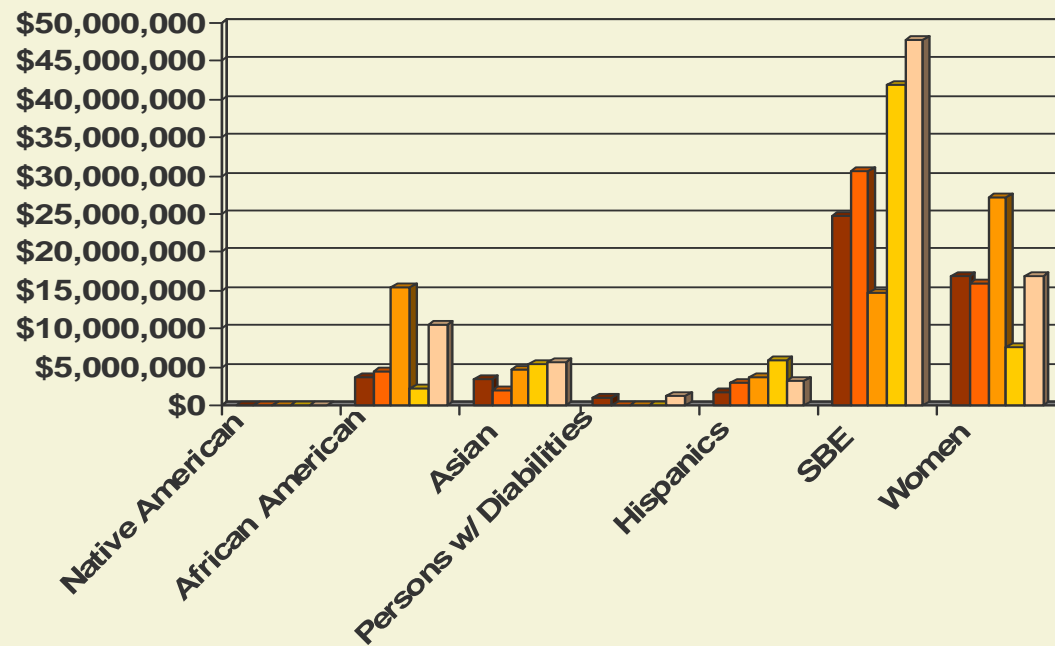




Annual Reporting Results FY 2005 - FY2009

Dollar Value of Participation That Includes MBE/SBE

July 1, 2004 through June 30, 2009



Annual Reporting Results FY2005

State Funded Contracts

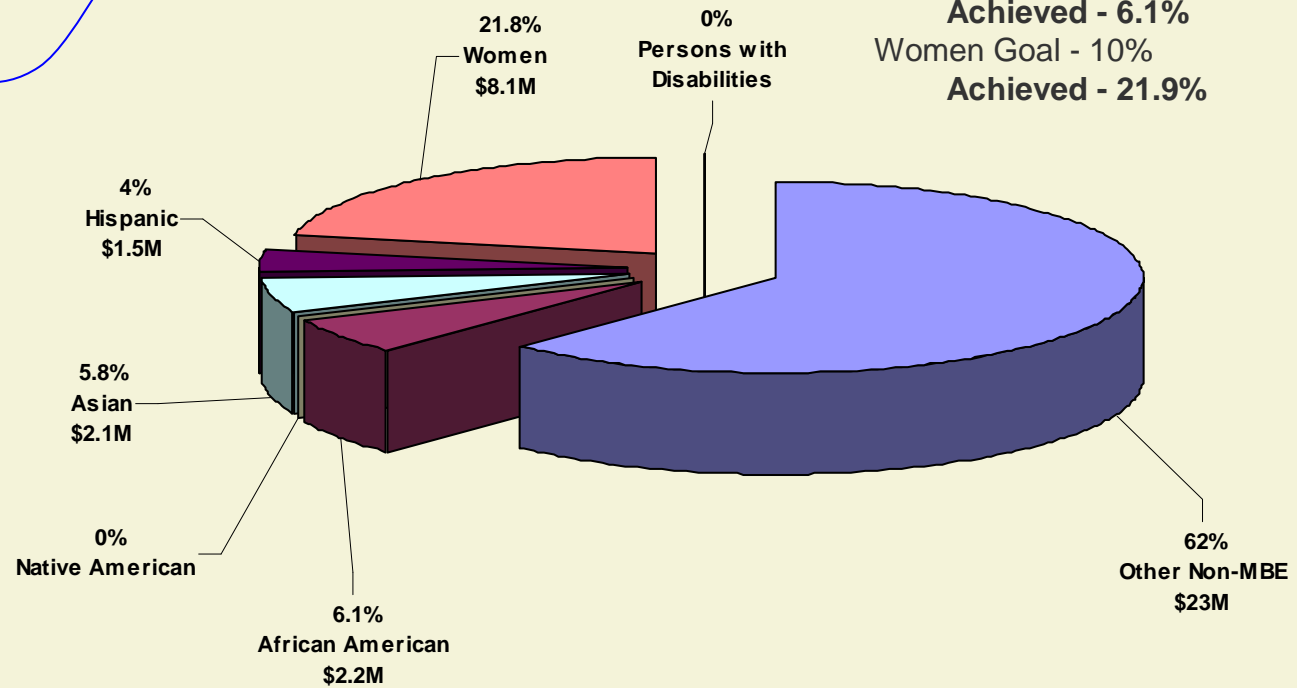
MBE Participation for State Funded Construction Projects by Category

Total \$36.9 million

July 1, 2004 through June 30, 2005

Total State MBE Goal - 25%
Total Achieved - 37.7%
African-American Goal - 7%
Achieved - 6.1%
Women Goal - 10%
Achieved - 21.9%

37.7%



Annual Reporting Results FY2006

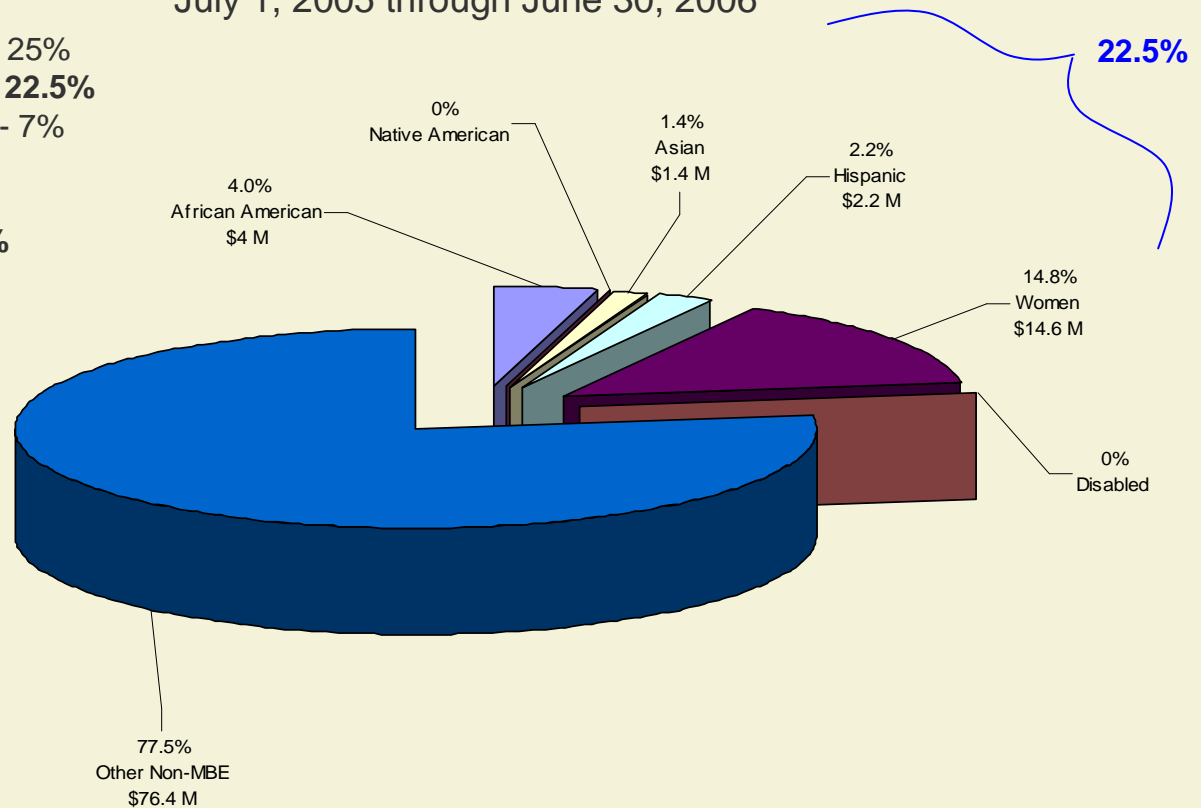
State Funded Contracts

MBE Participation for State Funded Construction Projects by Category

Total \$98.7 million

July 1, 2005 through June 30, 2006

Total State MBE Goal - 25%
Total Achieved – 22.5%
African-American Goal - 7%
Achieved – 4.0%
Women Goal - 10%
Achieved – 14.9%



Annual Reporting Results FY2007

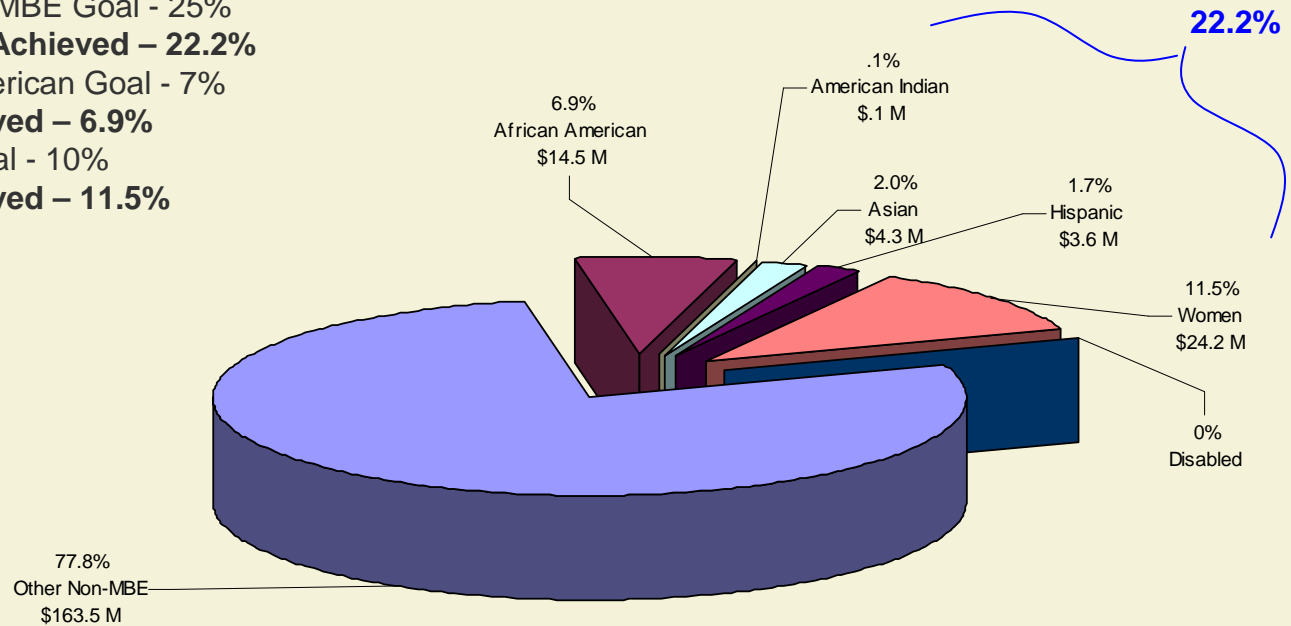
State Funded Contracts

MBE Participation for State Funded Construction Projects by Category

Total \$210.2 million

July 1, 2006 through June 30, 2007

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



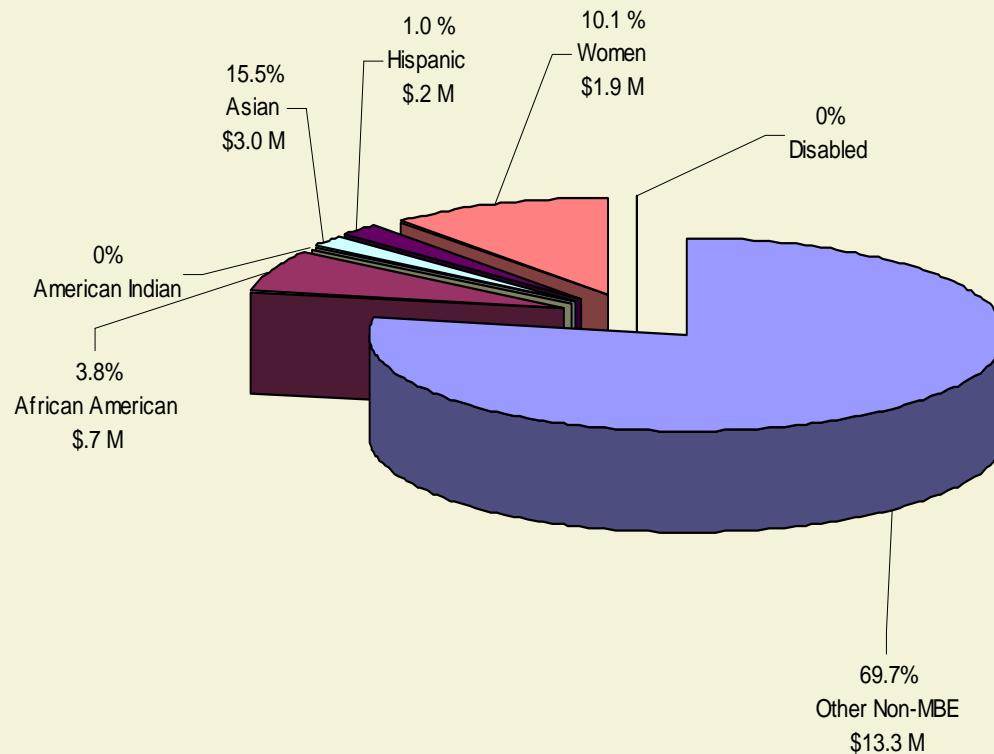
Annual Reporting Results FY2008

State Funded Contracts


MBE Participation for State Funded Construction Projects by Category

Total \$19.1 million

July 1, 2007 through June 30, 2008




Total State MBE Goal - 25%
Total Achieved - 30.3%
African-American Goal - 7%
Achieved - 3.8%
Women Goal - 10%
Achieved - 10.1%



Governors Office of Minority Affairs (GOMA) Report on Local Education Agencies MBE Participation for FY 2008

	Number of Projects	Total Contracts Awarded	Total MBE Dollars Awarded	MBE Participation
Dorchester County	5	\$22,459,540	\$4,864,704	21.66%
Baltimore County	27	\$166,905,522	\$35,409,303	21.22%
Wicomico County	1	\$73,644,880	\$13,773,886	18.70%
Anne Arundel County	22	\$78,843,310	\$12,904,544	16.37%
Washington County	12	\$20,755,058	\$3,371,873	16.25%
Carroll County	5	\$839,205	\$129,385	15.42%
Harford County	5	\$6,061,338	\$875,500	14.44%
Calvert County	10	\$17,953,561	\$2,367,148	13.18%
Baltimore City	28	\$37,302,186	\$4,412,380	11.83%



Governors Office of Minority Affairs (GOMA) Report on Local Education Agencies MBE Participation for FY 2008 (continued)

	Number of Projects	Total Contracts Awarded	Total MBE Dollars Awarded	MBE Participation
Howard County	22	\$106,380,304	\$11,340,839	10.66%
Montgomery County	37	\$236,749,836	\$20,115,961	8.50%
Fredrick County	6	\$5,963,547	\$468,329	7.85%
Cecil County	5	\$12,171,906	\$942,031	7.74%
Charles County	2	\$1,651,116	\$126,349	7.65%
Prince Georges County	58	\$49,301,313	\$3,283,990	6.66%
Kent County	1	\$1,647,400	\$99,458	6.04%
St. Mary's County	1	\$20,014,000	\$934,244	4.67%
Queen Anne's County	2	\$14,819,000	\$356,476	2.41%



Annual Reporting Results FY2009

State Funded Contracts

MBE Participation for State Funded Construction Projects by Category

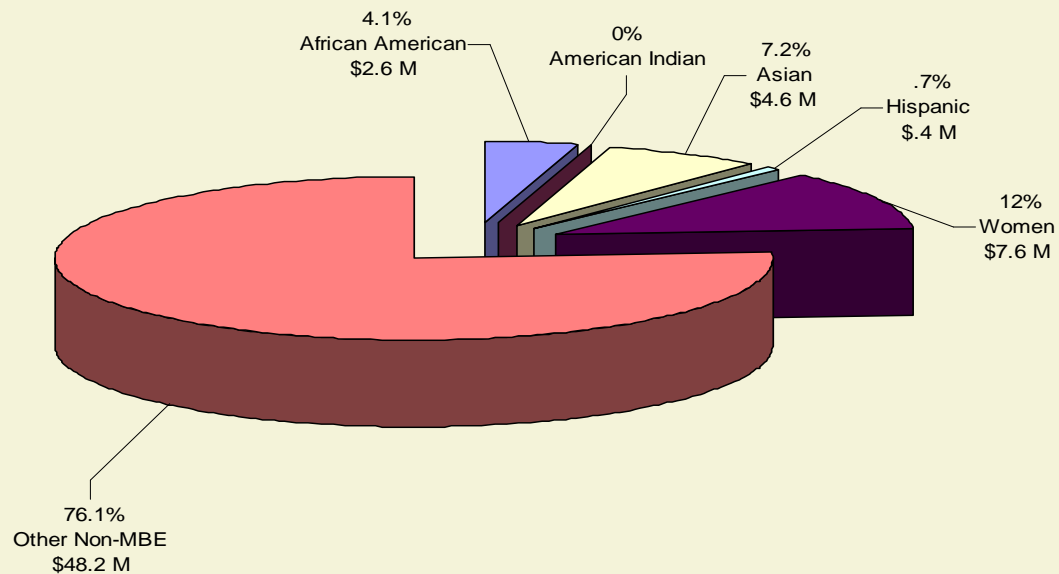
Total \$63.4 million

July 1, 2008 through June 30, 2009

Total Achieved – 23.9%

African-American Achieved – 4.1%

Women Achieved – 12.0%



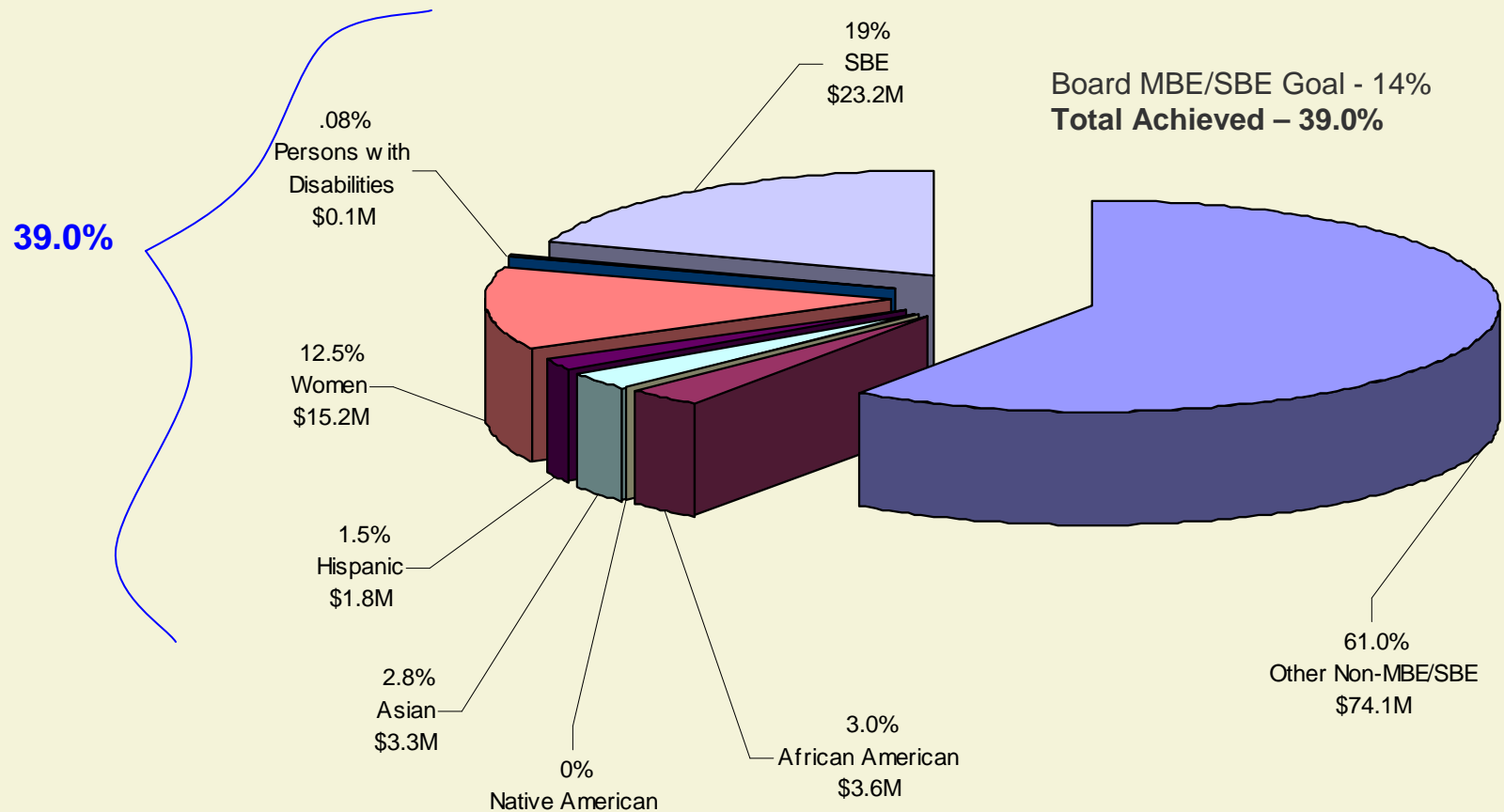
Note: State MBE goals now set by project

Annual Reporting Results FY2005

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$121.3 million

July 1, 2004 through June 30, 2005



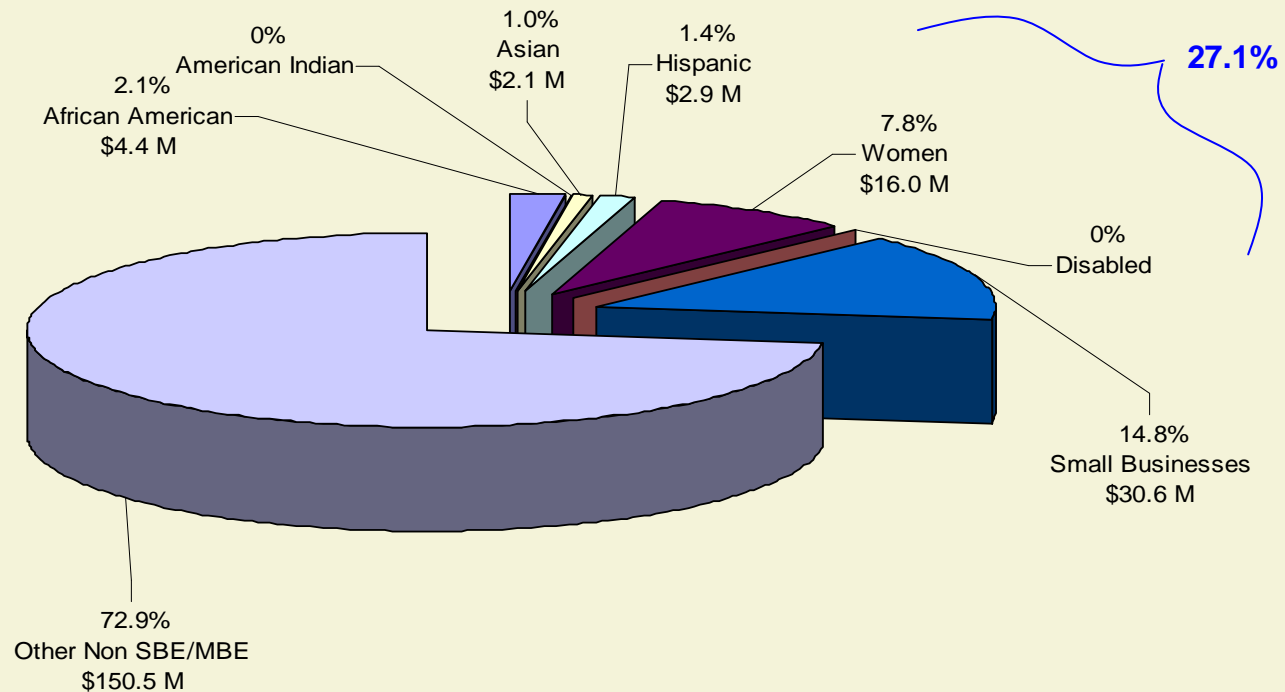
Annual Reporting Results FY2006

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%

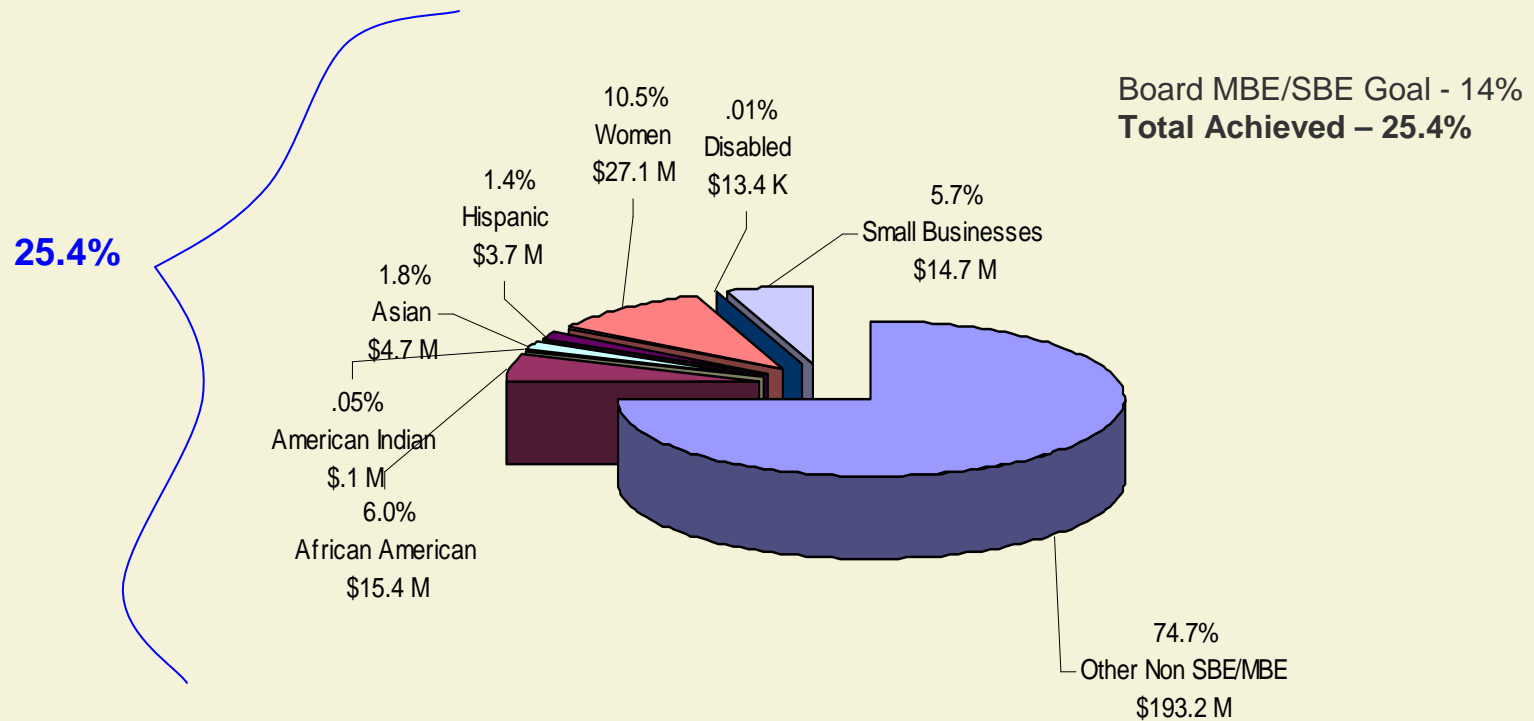


Annual Reporting Results FY2007

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$258.9 million

July 1, 2006 through June 30, 2007



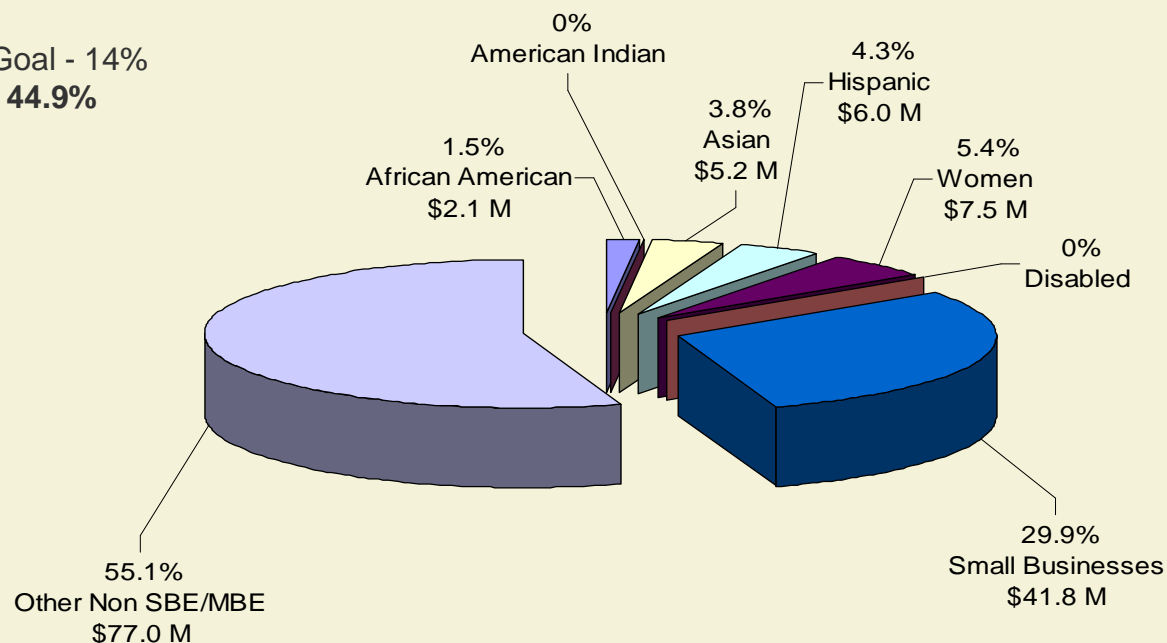
Annual Reporting Results FY2008

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$139.8 million

July 1, 2007 through June 30, 2008

Board MBE/SBE Goal - 14%
Total Achieved - 44.9%



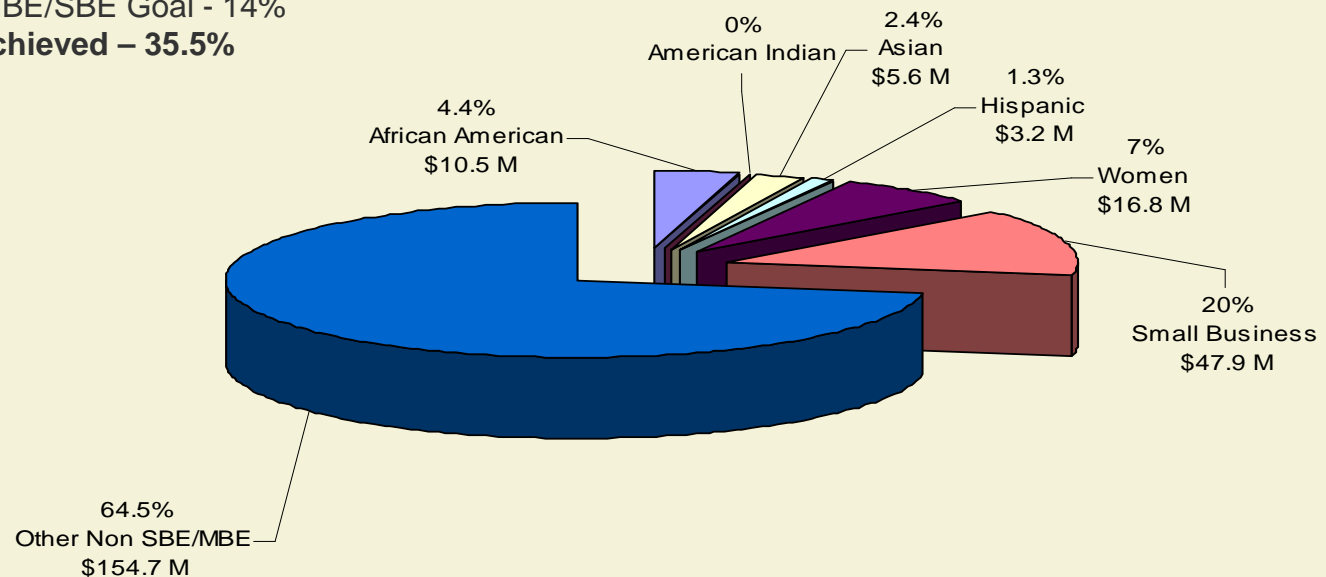
Annual Reporting Results FY2009

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$239.9 million

July 1, 2008 through June 30, 2009

Board MBE/SBE Goal - 14%
Total Achieved - 35.5%





Reporting to Board of Education

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



MBE Outreach Efforts

The MBE Officer for BCPS has:

- Participated in the Southern Maryland Regional and Small Business Procurement Expo.
- Participated in the MSDE Workgroup to revise the Minority Business Procedures for State Funded Public School Construction Projects.
- Participated in the Regional Procurement Diversity Expo 2008.
- Attended the Maryland Washington Minority Contractor's Association Annual Breakfast Meeting.
- Participated in Baltimore County Procurement Outreach/Open House.
- Participated in Baltimore County MBE Town Hall Meeting.
- Facilitated training with other LEAs in goal setting for construction projects.
- Hired a consultant to reach out to vendors for assistance in working with contractors and subcontractors.



MBE Outreach Efforts (Continued)

- First *Meet and Greet* planned for November 4 at Oregon Ridge
- MBE subcontractors can meet and network with general contractors and BCPS staff