

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: December 20, 2011

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **MINORITY AND SMALL BUSINESS ENTERPRISES – 2010
ANNUAL REPORT**

ORIGINATOR: Renee A. Foose, Deputy Superintendent

**RESOURCE
PERSON(S):** Barbara Burnopp, Chief Financial Officer
Richard Gay, Manager, Office of Purchasing

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 – 2011 Annual Report

Minority and Small Business Enterprises



**2011
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 nonprofit entity organized to promote interests of the physically or mentally disabled.

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
 - less than \$2 million for other business classifications

Board Policies and Superintendent's Rule

- Board Policy and Superintendent's Rule 3200
 - Purchases 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

State Regulations (14-302)

- Goals for State-Funded Public School Construction Contracts
 - Procedures require BCPS to set overall and minority specific MBE goals for each project.
 - A Procurement Review Group reviews and analyzes each project and the potential for certified MBE contractors to participate.
 - Recommended participation goals for individual projects are included in advertisements and bid documents.
 - Goals consider subcontractors and prime contractor.

ISO 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 for the solicitation.
- The solicitation is developed and advertised by the Office of Purchasing on their Web page.
- All bids are advertised on the state's *eMaryland Marketplace*, and are viewable on their online system. Registered vendors are notified by automated emails to announce new opportunities.

ISO 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.

ISO Contracting Process (continued)

- Consideration is given to:
 - 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

State Contracting Process

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

State Contracting Process

(continued)

- State-Funded Construction Contracts
 - All invitations for bids outline MBE participation goals.
 - The Office of Purchasing notifies the Maryland/ Washington Minority Contractors Association (MWMCA) and the Governor's Office of Minority Affairs of all available bids.
 - The Office of Purchasing advertises to all prequalified contractors and all MBE contractors of available bids through the online plan room.
 - MBE contractors must be certified by the Maryland Department of Transportation (MDOT).
 - A Utilization Affidavit and a Schedule for Participation must be complete and accurate at the time of bid submission.

State Contracting Process

(continued)

■ State-Funded Construction Contracts

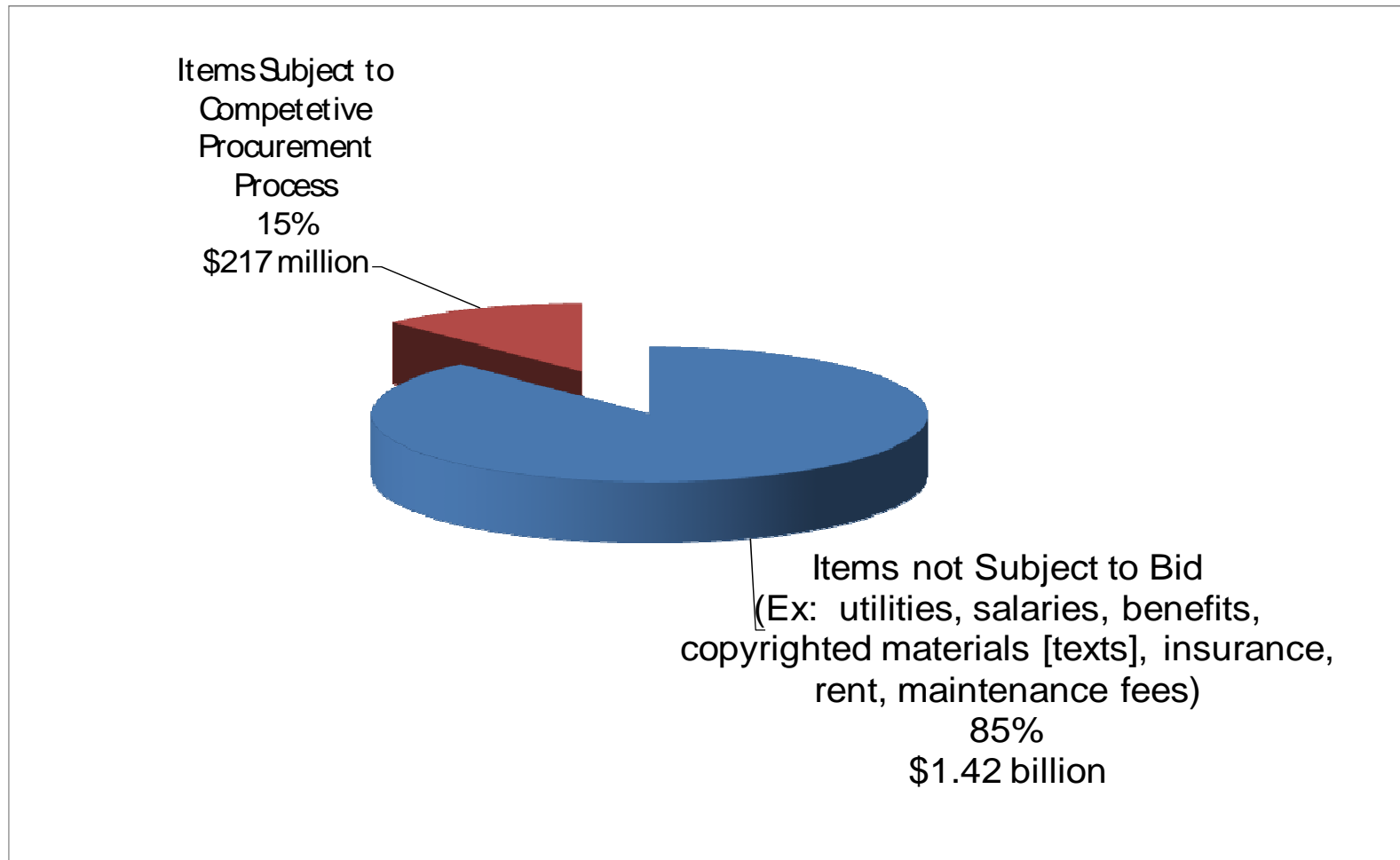
(continued)

- As necessary, a request for a waiver must be submitted if the state goals cannot be met.
- If a waiver for any portion of the goal is requested, the contractor is required to submit full documentation of their good-faith efforts to meet the goal, including all applicable Unavailability Certificate for Minority Subcontractors.
- The purchasing agent will confer with the MBE liaison to review this documentation and evaluate the good-faith effort. If the effort put forth by the contractor does not meet established criteria, the bid must be found nonresponsive.

County Contracting Process

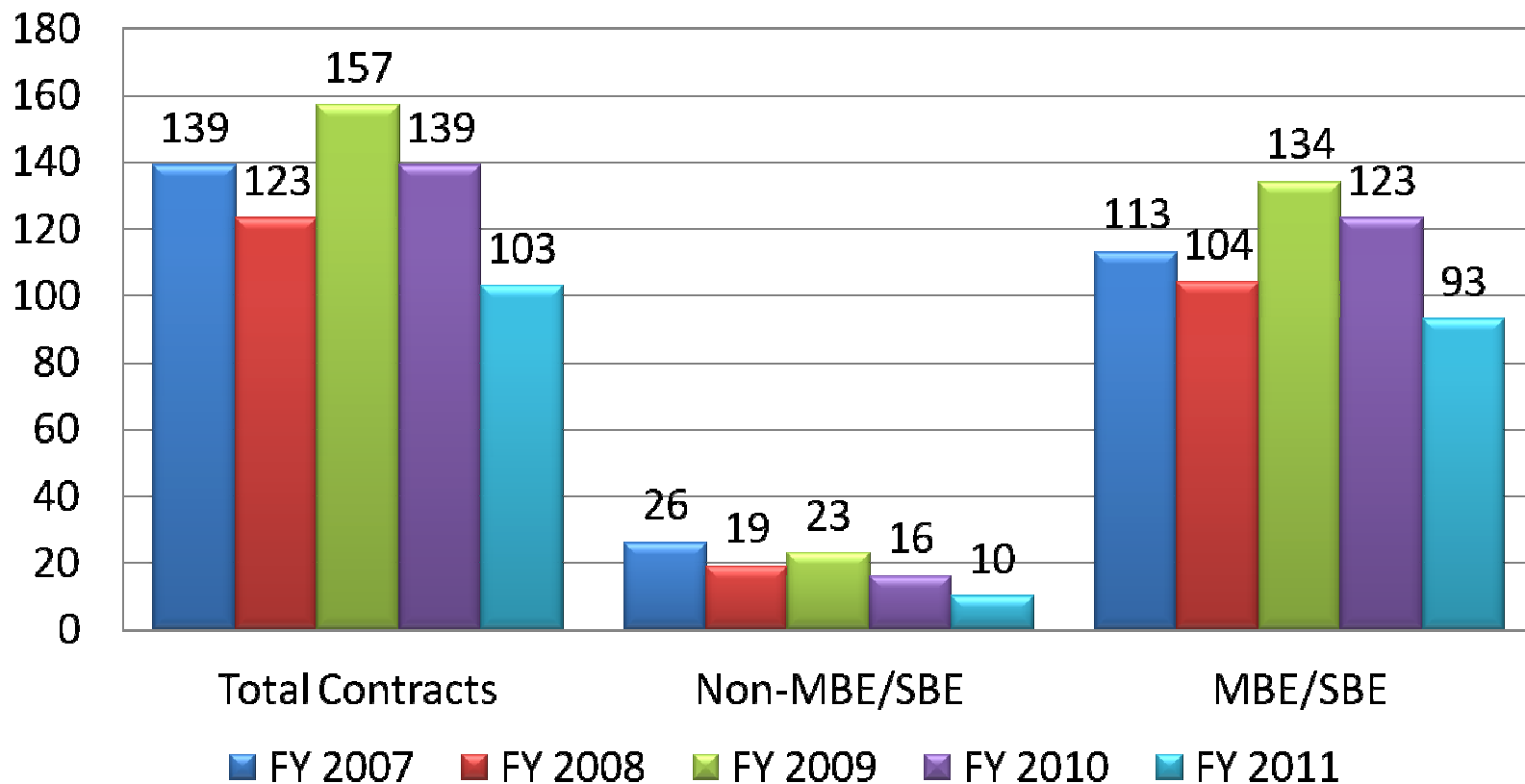
- Invitations for bids contain county MBE/SBE goals for participation.
- A *Utilization Affidavit* and a *Statement of Intent* must be completed by all vendors at the time of a bid submission to BCPS.
- As necessary, a request for a waiver must be submitted if the county goals cannot be met, and an *Unavailability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

FY2011 Operating, Grants, Capital, and Food Services Expenditures



Annual Reporting Results FY 2007 - FY2011

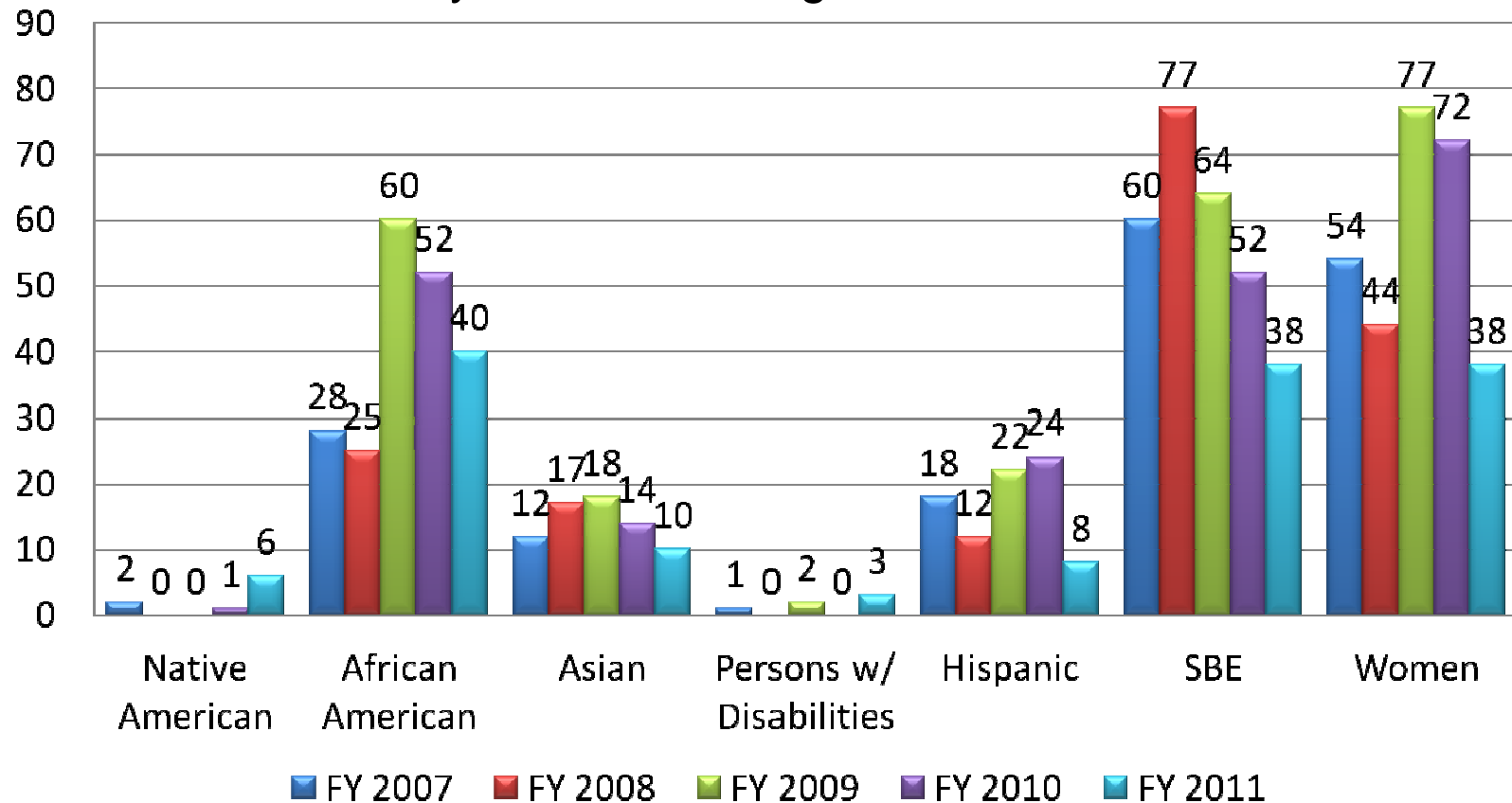
Contract Awards That Include MBE/SBE Participation
July 1, 2006 through June 30, 2011



Note: A single contract award may include multiple MBE/SBE subcontracts

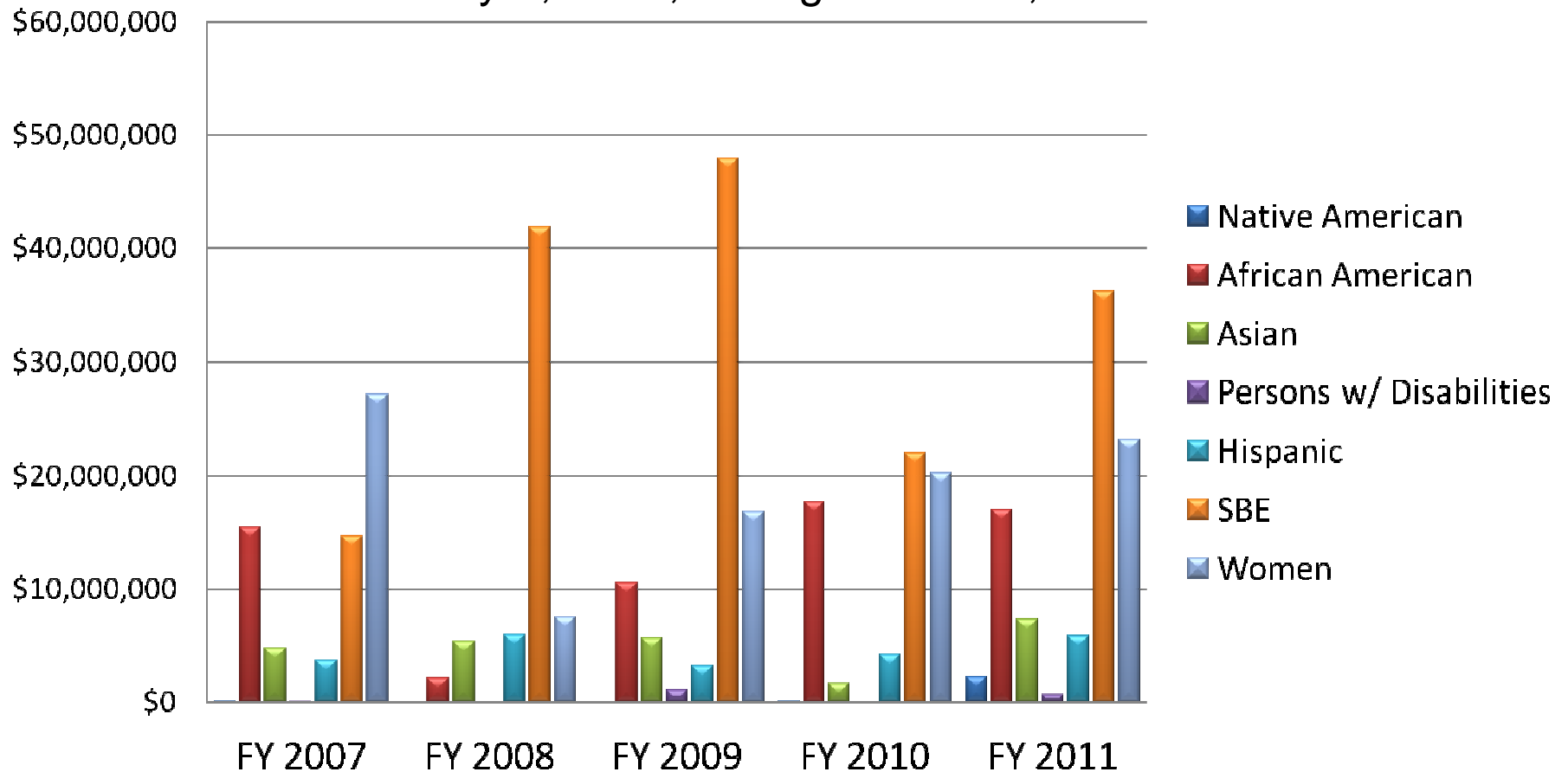
Annual Reporting Results FY 2007 - FY2011

Contract Awards That Include MBE/SBE Participation July 1, 2006, through June 30, 2011



Annual Reporting Results FY 2007 - FY2011

Dollar Value of Participation That Includes MBE/SBE
July 1, 2006, through June 30, 2011



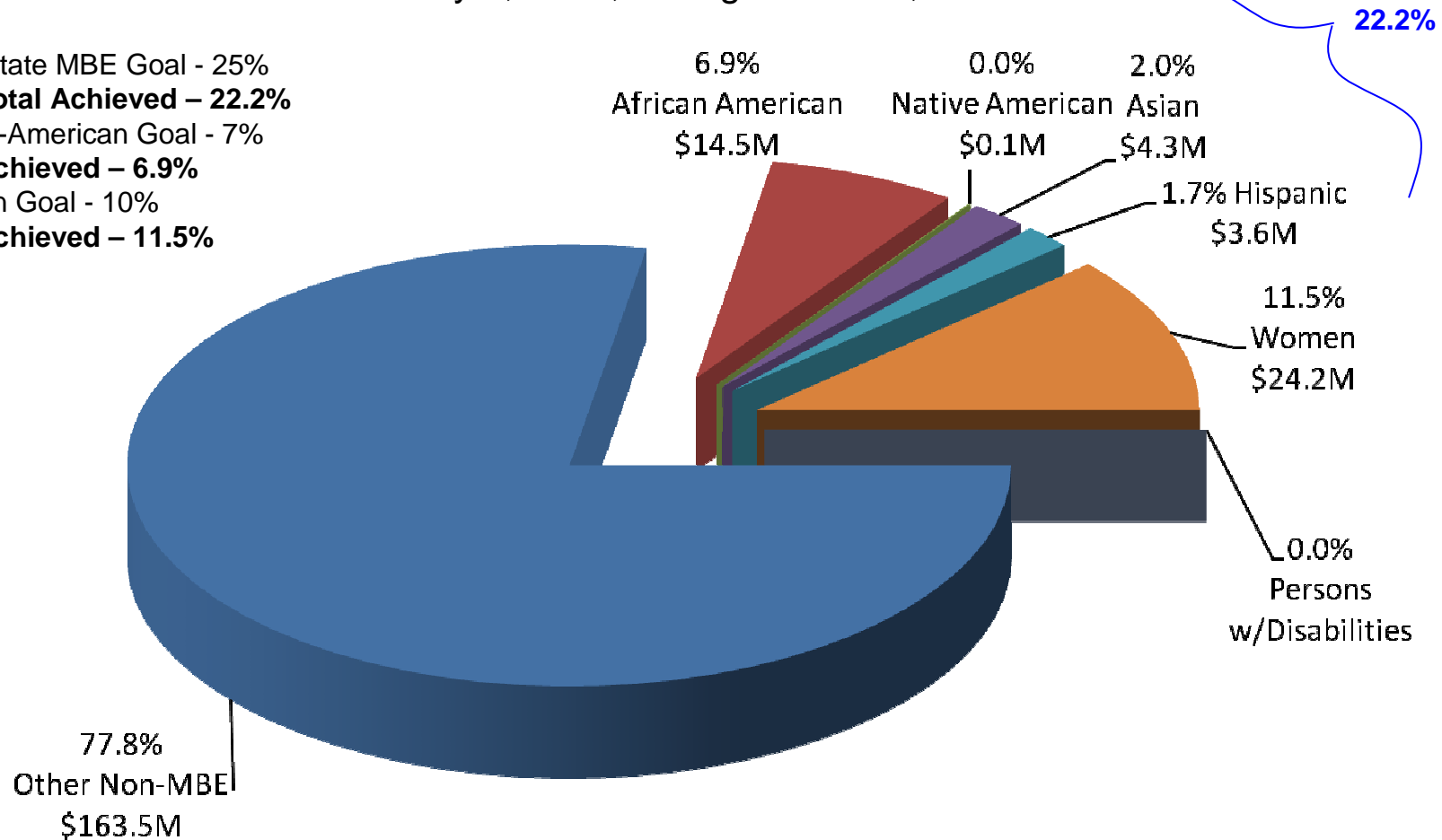
Annual Reporting Results FY2007

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%

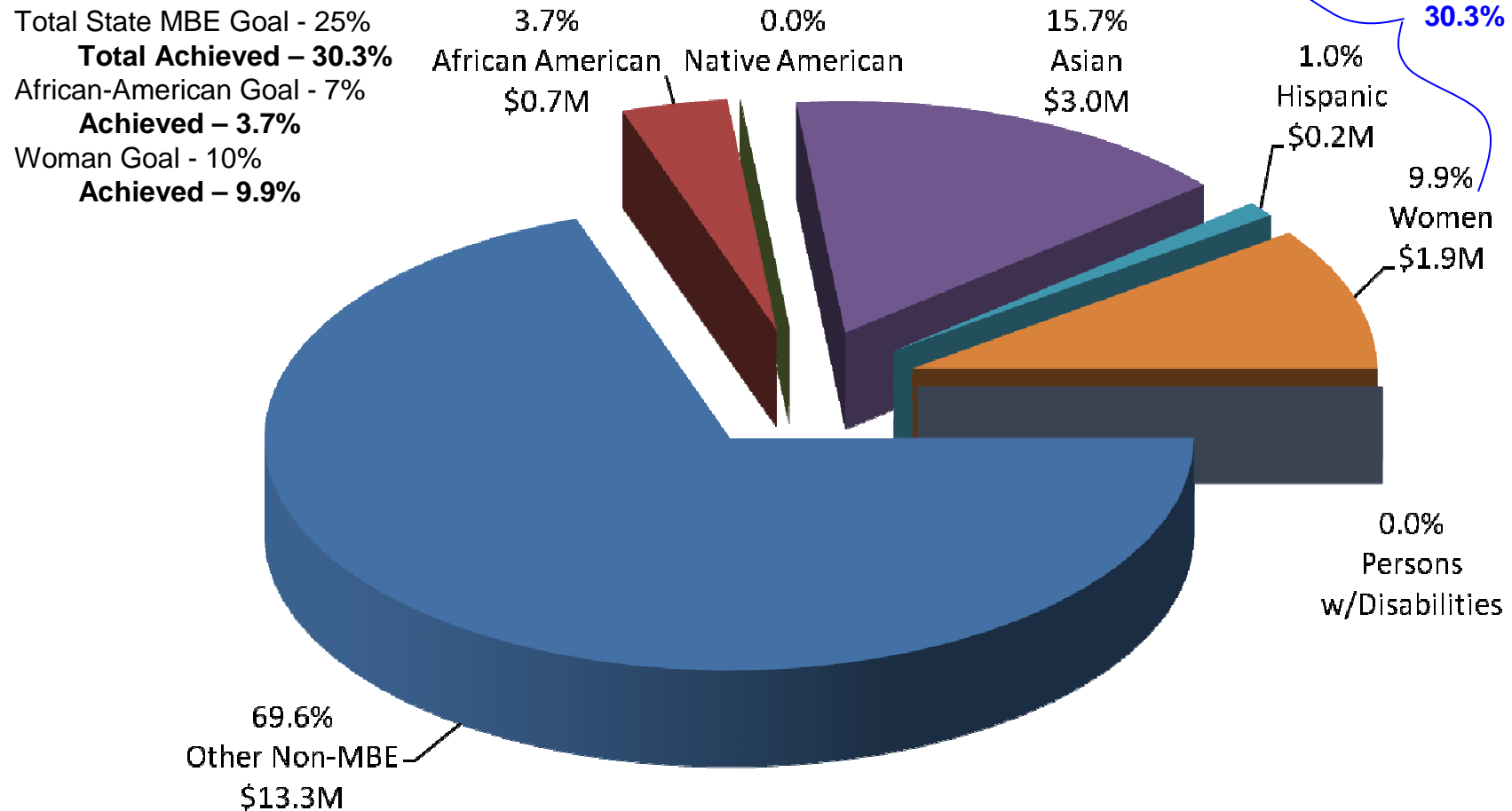


Annual Reporting Results FY2008

State-Funded Contracts – Total \$19.1 million

MBE Participation for State-Funded Construction Projects by Category

July 1, 2007, through June 30, 2008



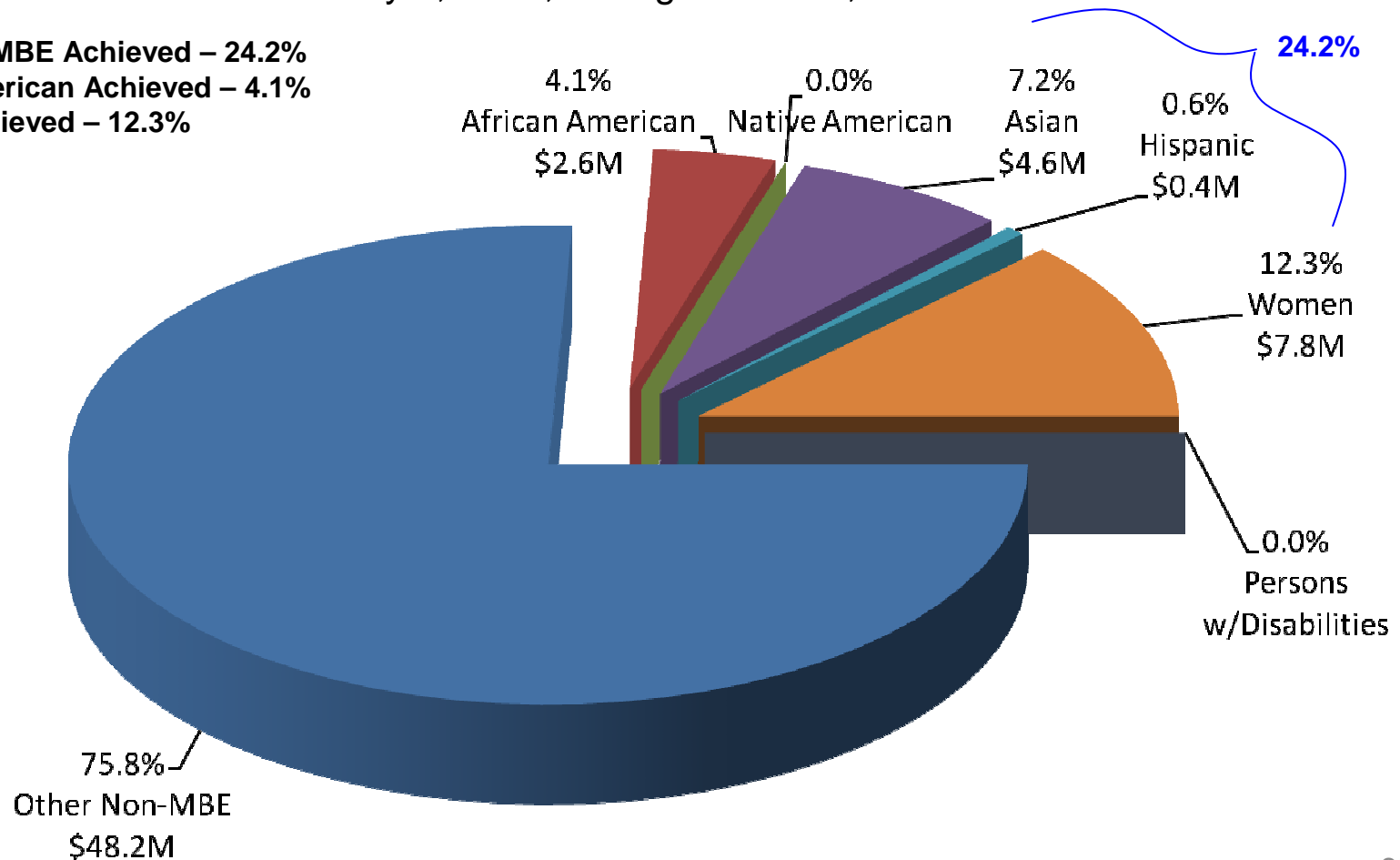
Annual Reporting Results FY2009

State-Funded Contracts – Total \$63.4 million

MBE Participation for State-Funded Construction Projects by Category

July 1, 2008, through June 30, 2009

Total State MBE Achieved – 24.2%
African-American Achieved – 4.1%
Woman Achieved – 12.3%



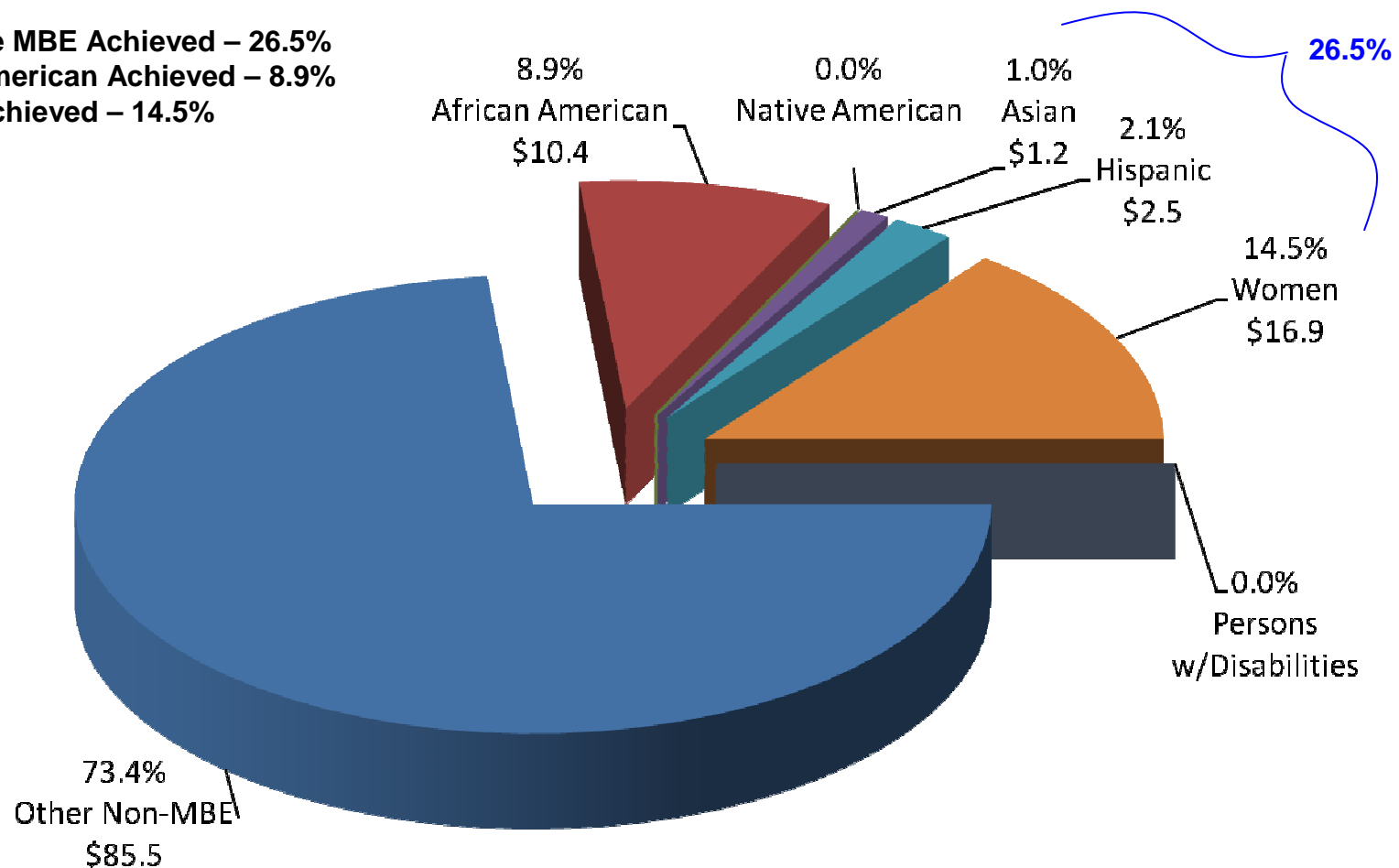
Annual Reporting Results FY2010

State-Funded Contracts – Total \$116.6 million

MBE Participation for State-Funded Construction Projects by Category

July 1, 2009, through June 30, 2010

Total State MBE Achieved – 26.5%
African-American Achieved – 8.9%
Woman Achieved – 14.5%

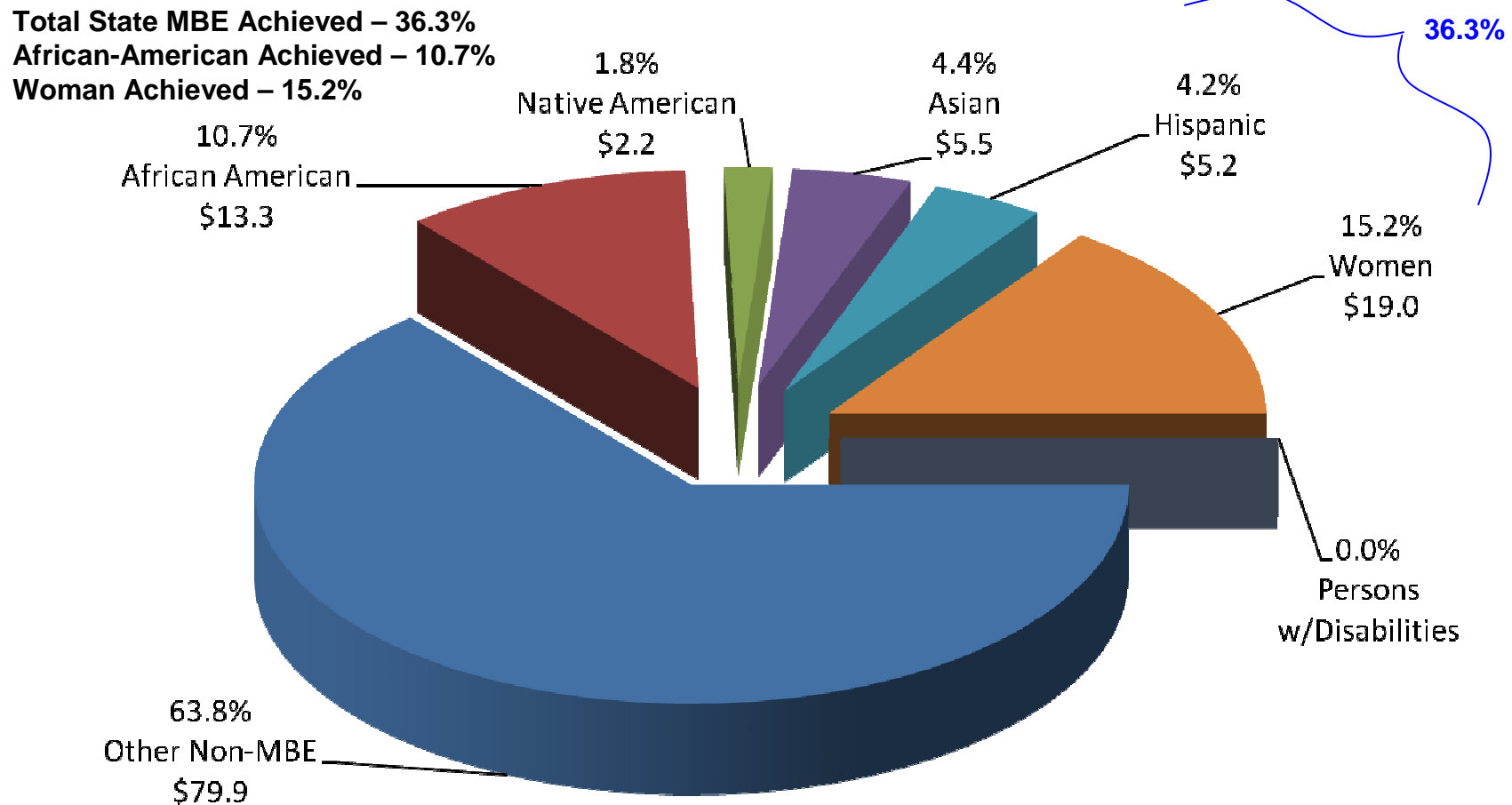


Annual Reporting Results FY2011

State-Funded Contracts – Total \$125.2 million

MBE Participation for State-Funded Construction Projects by Category

July 1, 2010 through June 30, 2011



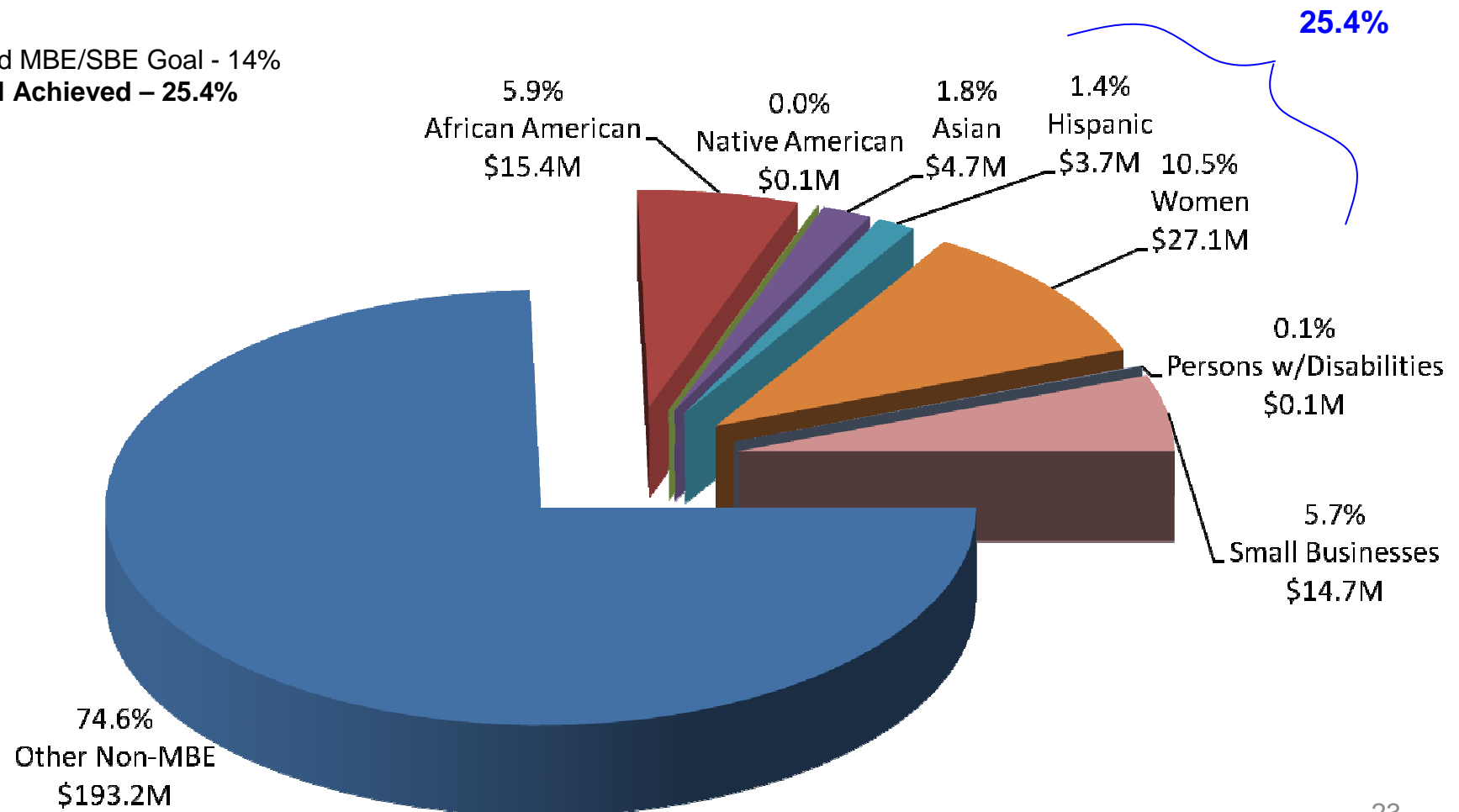
Annual Reporting Results FY2007

MBE and SBE Participation for All Contracts by Category

Total Contracts - \$258.9 million

July 1, 2006, through June 30, 2007

Board MBE/SBE Goal - 14%
Total Achieved – 25.4%

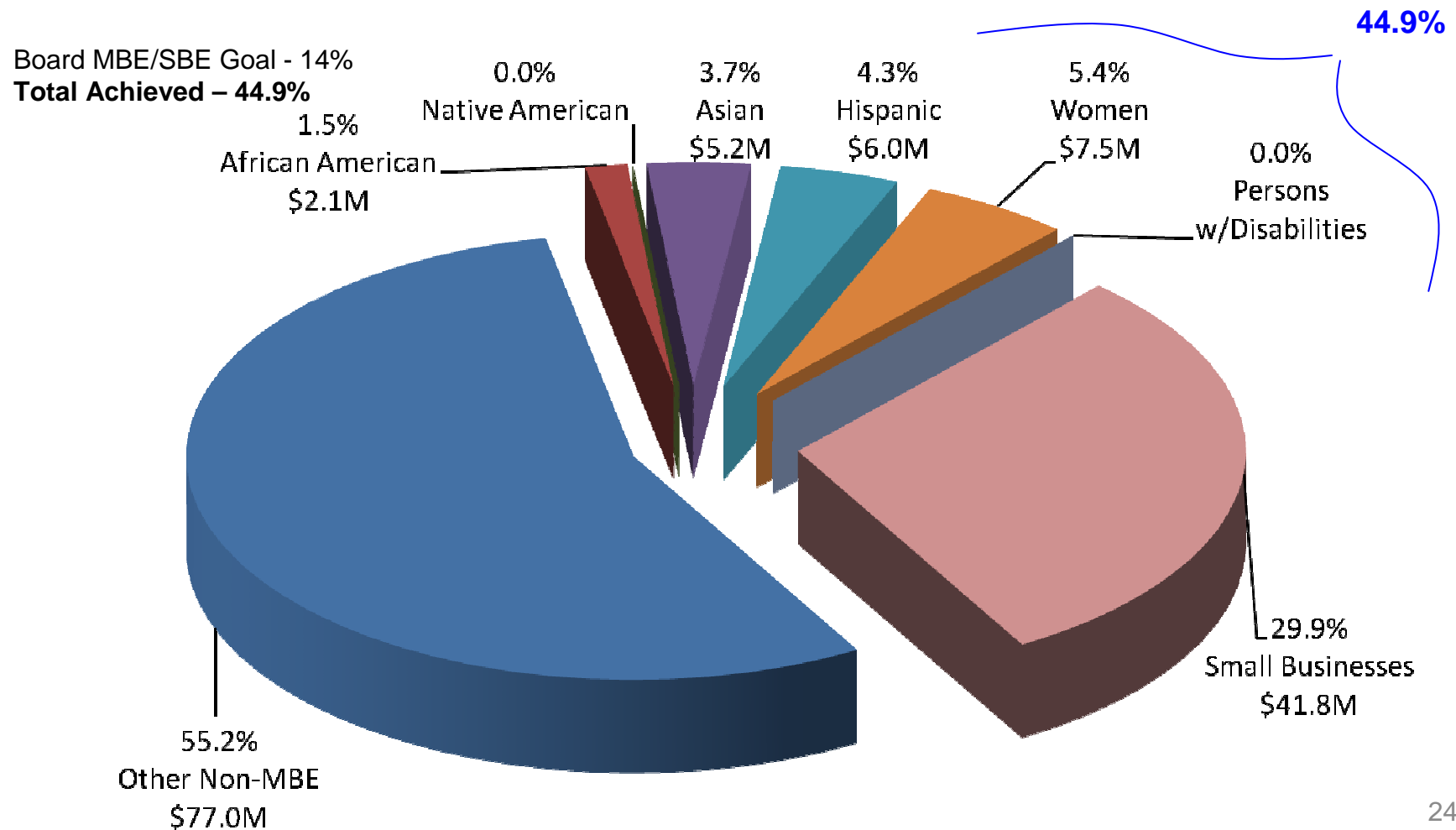


Annual Reporting Results FY2008

MBE and SBE Participation for All Contracts by Category

Total Contracts - \$139.8 million

July 1, 2007, through June 30, 2008



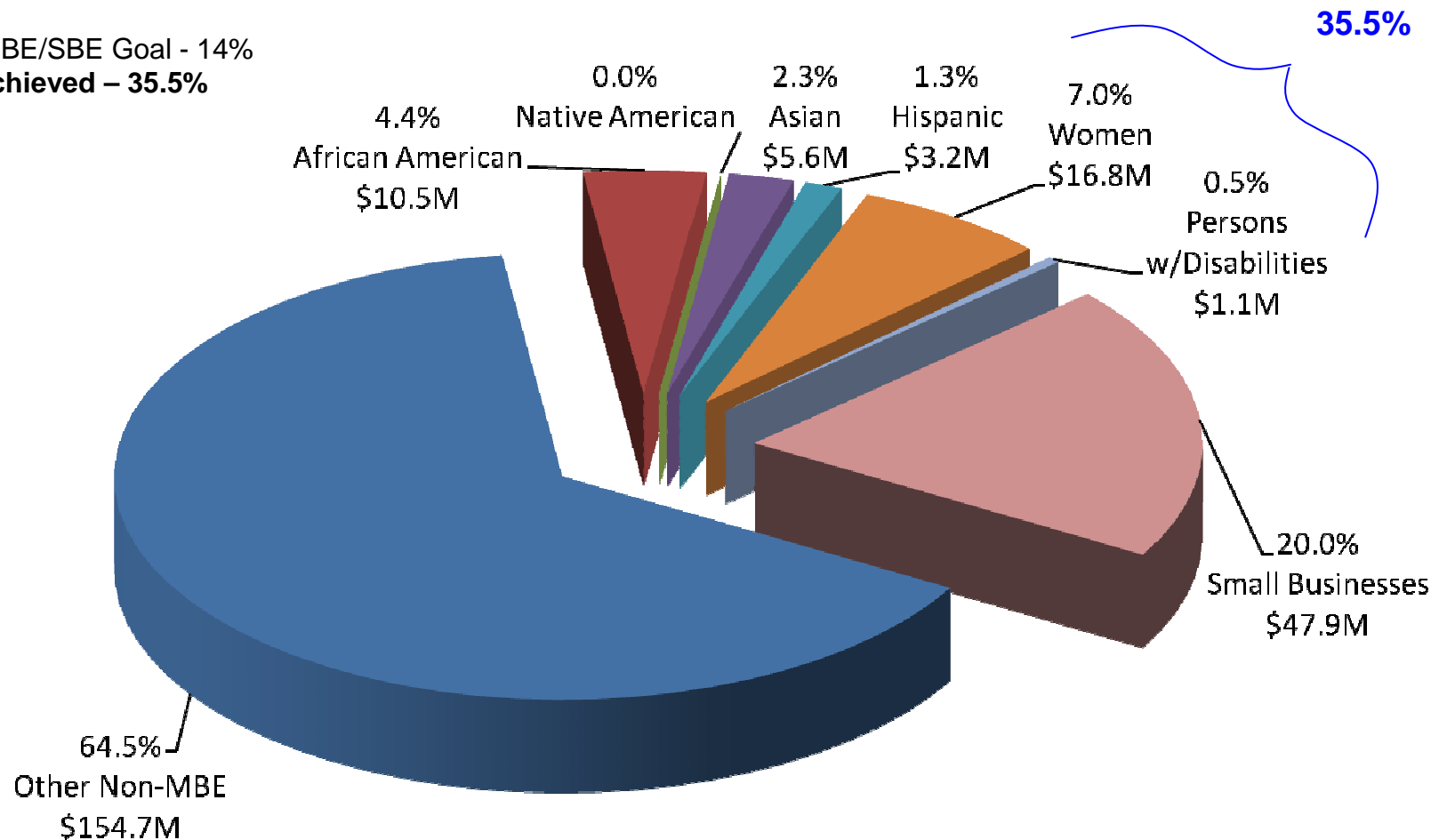
Annual Reporting Results FY2009

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%



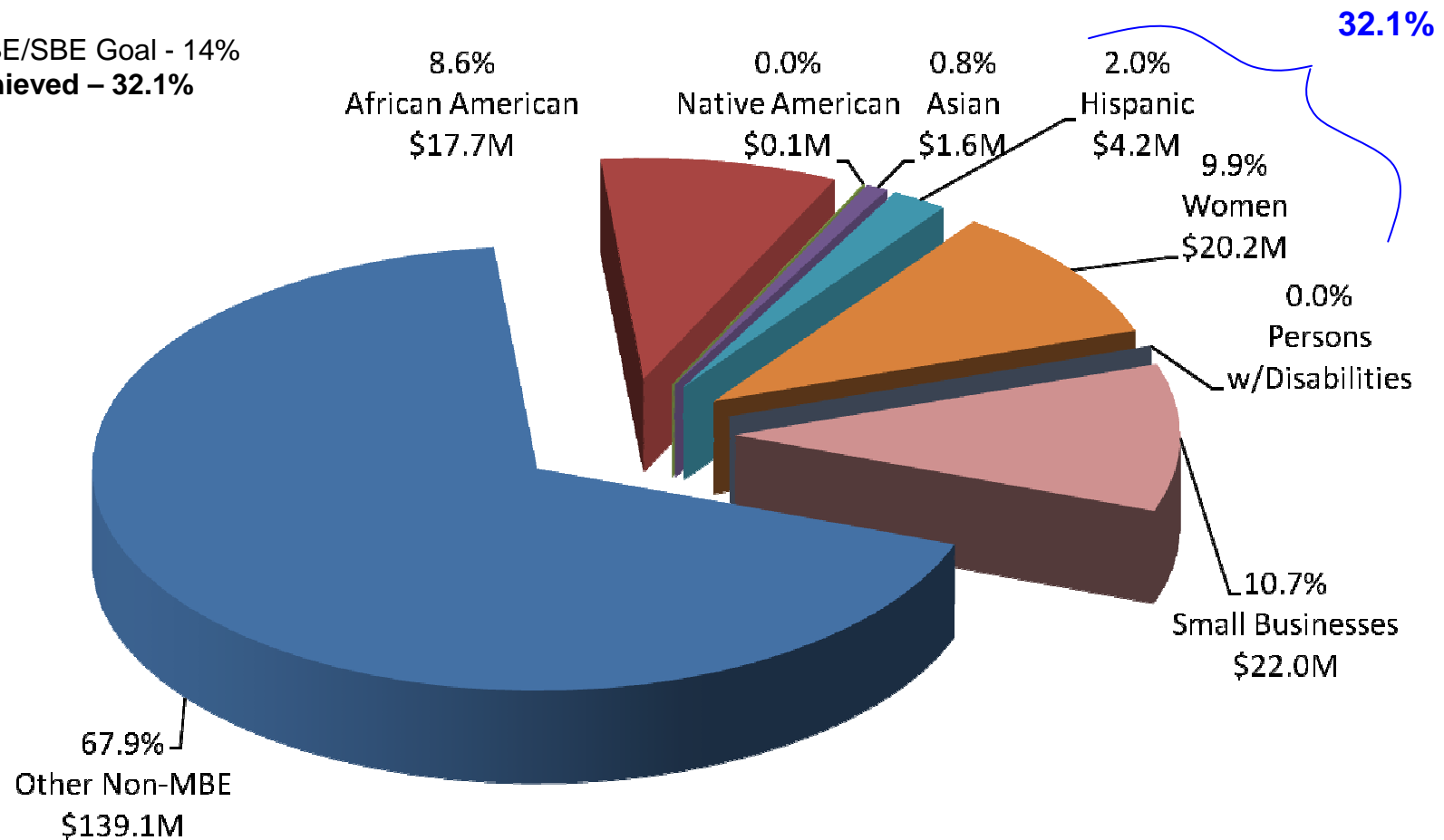
Annual Reporting Results FY2010

MBE and SBE Participation for All Contracts by Category

Total Contracts - \$205.0 million

July 1, 2009, through June 30, 2010

Board MBE/SBE Goal - 14%
Total Achieved – 32.1%

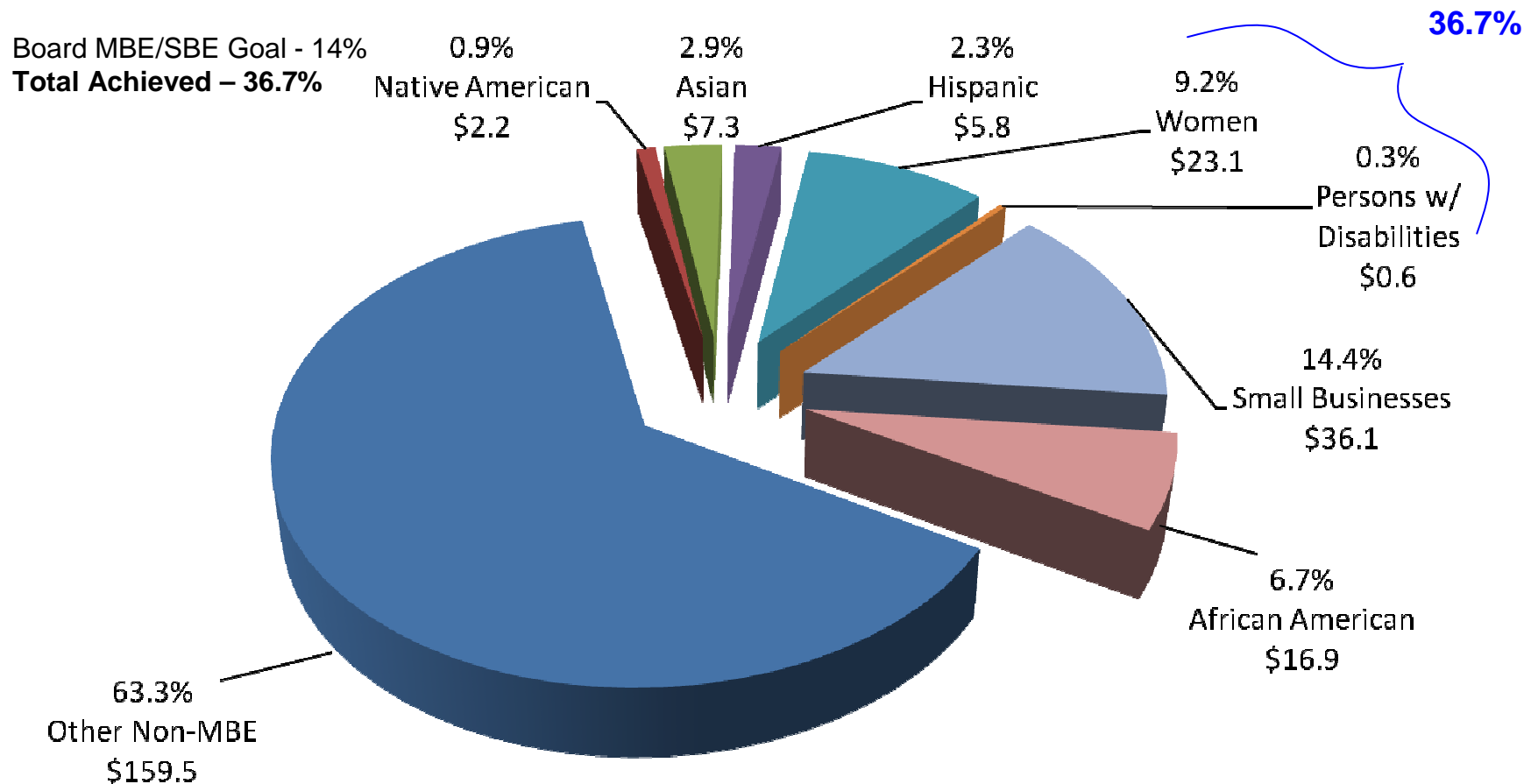


Annual Reporting Results FY2011

MBE and SBE Participation for All Contracts by Category

Total Contracts - \$251.8 million

July 1, 2010, through June 30, 2011



Reporting to the Board of Education

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

MBE Outreach Efforts

The MBE Officer and MBE Outreach Consultant for BCPS have:

- Hosted a *Meet & Greet* for general contractors and MBE subcontractors.
- Hosted a *MBE School Days* event for MBE subcontractors.
- Hosted an event for women-owned small businesses.
- Visited 50+ prime contractors to discuss their participation in the MBE program.
- Offered contractors assistance with
 - Identifying MBE subcontractors
 - Sending ads to solicit subcontractor bids
 - Completing forms correctly
- Participated in the MSDE pilot for new reporting procedures for state-funded public school construction projects.
- Attended a MDOT application assistance workshop.
- Participated in the *Southern Maryland Regional Purchasing and Procurement Expo*.
- Attended *Blue Book* networking events.
- Participated in the *Baltimore Washington Corridor Council Government Procurement Fair*.
- Attended the MWMCA annual awards breakfast meeting.
- Participated in MWMCA trade show and one-to-one contractor meetings.
- Participated in MD/DC Minority Supplier Development Council Business Conference.
- Participated in Prince George's County Public Schools' Regional Construction Event.
- Participated in *Baltimore County Procurement Outreach Events*.