



FY23 ANNUAL REPORT

Minority, Female and Disabled-
Owned Business (MFD) Program



Executive Summary

In FY23, the total dollars awarded towards certified Minority, Female, Disabled persons (MFD) firms were **\$246,374,095**. This is an unprecedented amount since the inception of the program. And it represents **22.60%** of the total eligible dollars (**\$1,090,391,062**) subject to MFD participation. Minority spend is and will remain a top priority -- there's almost a quarter of a billion-dollar opportunity for businesses to take advantage of by participating in Montgomery County solicitations.

In FY23, African Americans continue to demonstrate strong performance in the non-professional services category receiving \$46,149,082, or 15%, of the \$303,269,317 of eligible spend. Likewise, Hispanic American businesses maintained high performance in the Construction category at \$24,225,681, or 24.17%, almost doubling the FY22 amount of \$12,558,698. Also, Female businesses received the highest dollar awards among the minority groups, both in Professional Services (\$38,341,987 or 7.47%) and Goods (\$24,117,969 or 13.91%) categories.

The County's MFD program recognizes six (6) groups of MFD firms that must be at least 51% owned, controlled, and operated by:

- African Americans
- Asian Americans
- Females
- Hispanic Americans
- Native Americans
- Persons with disabilities

The purchasing breakdown categories and goals CY24 are:

- Professional Services 19%
- Non-Professional Services 23%
- Goods 8%
- Construction 16%

A new Disparity Study is currently underway. Updated goals based on this Disparity Study are expected by the end of Calendar year 2023. These goals will be the basis of the targets set forth in the MFD program in FY25 and beyond.

Framework of the MFD Program

Within the Office of Procurement, the Division of Business Relations and Compliance (DBRC) compiles an annual report on the Minority¹, Female and Disabled Persons Owned Business Program (MFD) which provides information required in accordance with Section 11B-61 of the Montgomery County Code and the Montgomery County Procurement Regulations.

The MFD Program assists registered vendors that hold at least one County-recognized certification in identifying opportunities, as either prime contractors or sub-contractors, for County contracts with an estimated dollar value of \$50,000 or more.²

There are six (6) minority certifications recognized and accepted by the County.

Minority Certifications Recognized by the County

Agency	Program	Description
Maryland Department of Transportation	Minority Business Enterprise	MDOT Certified MBE and/or DBE Businesses (MDOT-MBE)
U.S. Small Business Administration	8(a) Program	8(a) Certified Businesses (SBA-8a)
U.S. Small Business Administration	Service-Disabled Veteran Owned Small Business (SDVOSB)	Service-Disabled Veteran Owned Small Business (SDVOSB)
Women's Business Enterprise National Council	Women's Business Enterprise	Women's Business Enterprise (WBENC)
Maryland/District of Columbia Minority Supplier Development Council	Minority Business Enterprise	Minority Business Enterprise (MSDC)
City of Baltimore	Minority and Women's Business Opportunity Office	Minority and Women's Business Opportunity Office (MWBOO)

The MFD Program Specialist tracks and monitors contract awards and minority business compliance issues; conducts reviews and investigations of prime contractors' non-compliance and non-payments to minority subcontractors. These investigations may result in withholding progress payments, assessing Liquidated Damages, barring a vendor from doing business with the County for three (3) years, etc.

¹ Businesses owned by vendors in several socially and economically disadvantaged groups may be eligible for certification and participation in the MFD program, including African American, Hispanic American, Asian American, Native American, Female and Persons with Disabilities.

² Grants, utilities, intra/inter-governmental procurements are not subject to the MFD requirements.

The MFD Program continues to work towards increasing the participation of MFD businesses by working with County departments to identify opportunities for MFD contracting, providing assistance and resources to prime contractors, workshops, outreach events, pre-submission conferences and virtual and in-person networking events.

There are six (6) basic functions that define the duties and responsibilities of the MFD program:

- Procurement and MFD Program Education
- Compliance Enforcement
- Reporting
- Customer Service
- Outreach
- IFB and RFP Artificial Barrier Review

Outreach Activities and Networking Events

Outreach Events are targeted efforts, with the goal of attracting vendors from all disciplines and sectors of the business community. The objective is to invite minority vendors to participate in the County's procurement process. Events are hosted by the Office of Procurement and invitations are extended to government agencies and business organizations that have an interest in the County's MFD program. The events provide opportunities to local and minority vendors in seeking County's contracting information and other County policies related to local, small and minority vendors.

In FY23, the Office of Procurement hosted monthly online open house events, averaging 40-50 participants each time. The MFD program is showcased in the Pre-Submission conferences. Representatives from DBRC talk participants through required documentation, MFD participation goals, and how solicitation points are awarded during the evaluation process. The in-person "signature" events were the fall Procurement Fair and the Meet the Primes event in the spring. The Meet the Primes event is a new event, specifically targeting MFD businesses that want to network with Prime contractors.

Fiscal Year 2023: Outreach Events List

- *July 7, 2022: African Affairs Monthly Meeting
- *July 20, 2022: Online Open House: Office of Grants Management and Small Business Navigator
- *Aug. 10, 2022: USTDA Study Tour: Jamaican Students information session
- *Aug. 17, 2022: Online Open House: PROjections: Upcoming Procurement Opportunities
- *Sept. 21, 2022: Online Open House: General Session
- *Oct. 11, 2022: Procurement Fair

- Oct. 12, 2022: Meet the Primes
- Oct 18, 2022: Asian American Chamber Business Summit and Expo
- *Oct 19, 2022: Online Open House: BidNet Presentation
- Nov. 10, 2022: Women Business Enterprise National Council (WBENC) Breakthrough Breakfast Awards
- *Nov. 16, 2022: Online Open House: Small Business Grants/Loans/Access to Capital
- Dec. 14, 2022: Maryland Washington Minority Companies Association (MWMCA) Expo
- *Dec. 21, 2022: Online Open House: General Session
- *Jan. 18, 2023: Online Open House: Local Business Programs and MFD Overview
- Feb. 13, 2023: MCEDC Interview on Local Business Programs and MFD Programs
- *Feb. 15, 2023: Online Open House: Writing an Effective Proposal
- *Mar. 9, 2023: MD Black Chamber Procurement Series: Overview
- *Mar. 15, 2023: Online Open House: General Session
- *Mar. 16, 2023: MD Black Chamber Procurement Series: How to Find Solicitations and Information
- Mar. 22 , 2023: Maryland MBDA Business Center Meeting
- *Mar. 23, 2023: MD Black Chamber Procurement Series: Doing Business with other entities
- *Apr. 18, 2023: Prevailing Wage Law Webinar
- *Apr. 19, 2023: Online Open House: PROjections – Upcoming Procurement Opportunities
- *May 9, 2023: Meet the Primes
- May 10, 2023: County Resources Event
- *May 17, 2023: Online Open House: General Session
- May 30, 2023: Tap Into Business Event
- June 7, 2023: Networking Event
- *June 8, 2023: How to do Business with Montgomery County
- *June 21, 2023: Online Open House: General Session

*hosted or co-hosted by the Office of Procurement

MFD Procurement Participation Report

FY20 - FY23 Comparison of MFD Contract Activity

FY	Total \$ Subject To MFD	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD
23	\$1,090,391,062	\$246,374,095	22.60%
22	\$816,175,595	\$212,449,527	26.03%
21	\$746,510,083	\$200,457,253	26.86%
20	\$797,850,214	\$182,655,316	22.89%

FY23 MFD Contract Activity Summary by Procurement Category

Category	Total \$ Subject To MFD	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD
Professional Services	\$513,447,249	\$70,974,277	13.82%
Non-Professional Services	\$303,269,317	\$103,858,032	34.25%
Goods	\$173,436,373	\$33,985,607	20.17%
Construction	\$100,238,123	\$37,556,179	37.51%
Total	\$1,090,391,062	\$246,374,095	22.60%

FY23 Dollar Value to MFD Firms by Group

Professional Services		
Total Dollars Subject to Goal: \$513,447,249 Total Actions: 2,216		
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD
African American	\$5,601,254	1.64%
Asian American	\$20,851,134	4.05%
Female	\$38,341,987	7.41%
Hispanic American	\$5,824,533	1.21%
Native American	\$352,466	0.07%
Person with Disability	\$2,903	0.00%
Total	\$70,974,277	13.82%
Goods		
Total Dollars Subject to Goal: \$173,436,373 Total Actions:1,381		
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD
African American	\$539,715	0.54%
Asian American	\$8,653,279	5.02%
Female	\$24,117,969	13.91%
Hispanic American	\$674,644	0.65%
Native American	\$0	0.06%
Person with Disability	\$0	0.00%
Total	\$33,985,607	19.60%
Non-Professional Services		
Total Dollars Subject to Goal: \$303,269,317 Total Actions:3,040		
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD
African American	\$46,151,422	15.22%
Asian American	\$4,455,519	1.47%
Female	\$11,392,432	3.76%
Hispanic American	\$41,808,326	13.79%
Native American	\$2,700	0.00%
Person with Disability	\$47,633	0.02%
Total	\$103,858,032	34.25%
Construction		
Total Dollars Subject to Goal: \$100,238,123 Total Actions:185		
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD
African American	\$0	0.00%
Asian American	\$743,562	0.75%
Female	\$12,586,936	12.56%
Hispanic American	\$24,225,681	24.17%
Native American	\$0	0.00%
Person with Disability	\$0	0.00%
Total	\$37,556,179	37.47%

FY23 MFD Utilization and Availability						
	Prime Contractor	Sub-Contractor	Total Contractor	FY23 Utilization	FY22 Availability	CY24 Goals ³
Professional Services			\$513,447,249			
African American	\$ 4,513,824	\$1,087,430	\$ 5,601,254	1.09%	8.25%	8.25%
Asian American	\$19,662,858	\$1,188,276	\$20,851,134	4.06%	4.11%	4.11%
Female	\$36,519,472	\$1,822,515	\$38,341,987	7.47%	4.26%	4.26%
Hispanic American	\$4,900,326	\$924,207	\$5,824,533	1.13%	1.24%	1.24%
Native American	\$0	\$352,466	\$352,466	0.07%	0.11%	0.11%
Person with Disability	\$0	\$2,903	\$2,903	0.00%	0.80%	0.80%
Sub Total	\$65,596,480	\$5,377,797	\$70,974,277	13.82%	19%	19%
Non-Prof³ Services		Subject to MFD Requirements:	\$303,269,317			
African American	\$39,332,015	\$6,819,407	\$46,151,422	15.22%	12.57%	12.57%
Asian American	\$1,182,887	\$3,272,632	\$4,455,519	1.47%	3.49%	3.49%
Female	\$8,994,374	\$2,398,058	\$11,392,432	3.76%	5.46%	5.46%
Hispanic American	\$40,532,266	\$1,276,060	\$41,808,326	13.79%	2.58%	-----
Native American	\$2,700	\$0	\$2,700	0.00%	0.83%	0.83%
Person with Disability	\$0	\$47,633	\$47,633	0.02%	0.62%	0.62%
Sub Total	\$90,044,242	\$13,805,780	\$103,850,022	34.25%	24.80%	22.97%
Goods		Subject to MFD Requirements:	\$173,436,373			
African American	\$511,157	\$28,558	\$539,715	0.31%	5.79%	5.79%
Asian American	\$8,426,236	\$227,043	\$8,653,279	4.99%	2.01%	-----
Female	\$23,865,651	\$252,318	\$24,117,969	13.91%	6.57%	-----
Hispanic American	\$640,334	\$34,310	\$674,644	0.39%	1.51%	1.51%
Native American	\$0	\$0	\$0	0.00%	0.11%	0.11%
Person with Disability	\$0	\$0	\$0	0.00%	0.75%	0.75%
Sub Total	\$33,443,378	\$542,229	\$33,985,607	19.60%	16.74%	8.16%
Construction		Subject to MFD Requirements:	\$100,238,123			
African American	\$0	\$0	\$0	0.00%	11.00%	11.00%
Asian American	\$0	\$743,562	\$743,562	0.74%	3.29%	3.29%
Female	\$8,703,739	\$3,883,197	\$12,586,936	12.56%	5.54%	-----
Hispanic American	\$24,225,681	\$0	\$24,225,681	24.17%	6.14%	-----
Native American	\$0	\$0	\$0	0.00%	0.49%	0.49%
Person with Disability	\$0	\$0	\$0	0.00%	1.00%	1.00%
Sub Total	\$32,929,420	\$4,626,759	\$ 37,556,179	37.47%	27.46%	15.78%
Total Subject to MFD Requirements			\$1,090,391,062	22.60%		
Total MFD Procurement			\$246,374,095			

³ For MFD subcontracting goal setting procedure, please refer to [Montgomery County Code 11B-60](#)

Total Dollars & Value of RFPs by MFD Group

The Requests for Proposals (RFP) section of the MFD report is a result of proposals submitted in response to formal RFPs issued by the County during FY23. The report tracks the following information:

- MFD business groups and non-MFD businesses participating in the process only as prime contractors.
- Breakdown of number of awards.
- Dollar values for each group.
- Number of proposals submitted by each group.

The total dollar value for RFPs issued in FY23 was \$2,429,238,483. Of that amount, MFD businesses were awarded \$856,446,150 or 35.26%. Out of 217 total RFP proposals submitted, 70 (35.26%) proposals were submitted by MFD businesses. A total of 217 RFP contract awards were issued. RFP contract awards to MFD prime contractors were 19 (21.85%). More contract dollars were awarded to minority firms in FY23 - \$856,446,150, compared to FY22 MFD awards of \$110,832,930. Note that out of the \$856,446,150 that was awarded to the MFD businesses, 58.40% or \$500,200,000 went to Asian American owned businesses.

Total Dollars & Value of RFPs by MFD Group

	# Of Awards	% Of # Of Awards	Award Dollar Value	% Of Dollar Value	% Of Total MFD Dollar Value	# Of Proposals Submitted	% Of Proposals Submitted
African American	5	5.75%	\$200,746,150	8.26%	23.44%	24	11.01%
Hispanic American	2	2.30%	\$107,500,000	4.43%	12.55%	10	4.59%
Asian American	6	6.90%	\$500,200,000	20.59%	58.40%	23	10.55%
Native American	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Female	6	6.90%	\$48,000,000	1.98%	5.60%%	10	4.59%
Person with Disabilities	0	0.00%	\$0	0.00%	0.00%%	3	1.38%
Total MFD Businesses	19	21.85%	\$856,446,150	35.26%	100%	70	32.12%
Non-MFD	68	78.16%	\$1,572,792,333	64.74%	--	147	67.43%
Total Businesses	87	100.01%	\$2,429,238,483	100.00%		217	99.55%

Total Dollars & Value of IFBs by MFD Group

The Invitation for Bids (IFB) section of the MFD report is a result of bids submitted in response to formal IFBs issued by the County during FY23. The report tracks the following information:

- MFD business groups and non-MFD businesses participating in the process only as prime contractors.
- Breakdown of number of awards.
- Dollar values for each group.
- Number of bids submitted by each group.

The total dollar value for IFBs issued in FY23 was \$92,456,256. Of that amount MFD businesses were awarded \$32,015,224 or 30.91%. Out of 140 total bids responding to the IFBs, 19 (12.02%) bids were submitted by MFD businesses. Of the 72 IFB contract awards that were issued, MFD businesses received 11 awards. It is noteworthy that out of the \$32,015,224 that was awarded to the MFD businesses, 91.68% or \$29,350,000 were awarded to Female owned businesses.

Total Dollars & Value of IFBs by MFD Group

	# Of Awards	% Of # Of Awards	Award Dollar Value	% Of Dollar Value	% Of Total MFD Dollar Value	# Of Proposals Submitted	% Of Proposals Submitted
African American	2	2.67%	\$953,000	0.92%	2.98%	2	1.27%
Hispanic American	3	4.00%	\$1,712,224	1.65%	5.35%	8	5.06%
Asian American	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Native American	0	0.00%	\$0	0.00%	0.00%	1	0.63%
Female	6	8.00%	\$29,350,000	28.34%	91.68%	8	5.06%
Person with Disabilities	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Total MFD Businesses	11	14.67%	\$32,015,224	30.91%	100%	19	12.02%
Non-MFD	61	81.33%	\$60,441,032	58.35%	--	121	76.58%
Total Businesses	72	96.00%	\$92,456,256	89.26%		140	88.60%

Select Department MFD Participation Summary

MFD participation by selected departments focuses on those departments that have procurements of any type exceeding \$5 million in the aggregate or procurements for professional services exceeding \$1 million in the aggregate. For FY23, 12 departments met the criteria. Listed below is a summary of these departments' MFD utilization in FY23.

Selected Department MFD Participation Summary

Departments	Total \$ Subject To MFD	MFD Utilization	% Of MFD Utilization	% Of Total MFD \$
Transportation	\$204,299,107	\$71,590,566	35.04%	29.23%
Technology and Enterprise Business Solutions	\$90,448,044	\$18,568,838	20.53%	7.58%
Recreation	\$40,729,025	\$4,472,008	10.98%	1.83%
Police	\$30,607,013	\$5,981,734	19.54%	2.44%
Human Resources	\$291,379,466	\$9,725,578	3.34%	3.97%
Health and Human Services	\$62,288,028	\$40,129,605	64.43%	16.39%
General Services	\$166,563,093	\$43,890,980	26.35%	17.92%
Fire and Rescue Service	\$33,900,437	\$4,090,608	12.07%	1.67%
Finance	\$12,251,239	\$901,331	7.36%	0.37%
Environmental Protection	\$114,259,254	\$43,528,229	38.10%	17.77%
Correction and Rehabilitation	\$6,527,435	\$747,408	11.45%	0.31%
Alcohol Beverage Services	\$11,305,380	\$1,282,128	11.34%	0.52%
Total	\$1,064,557,521	\$244,909,013	23.01%	100.00%

* Detailed **Departments** reports can be viewed online at: <https://montgomerycountymd.gov/PRO/report/index.html> under MFD Annual Report FY23

* Detailed **Exclusion and Waivers** reports can be viewed online at: <https://montgomerycountymd.gov/PRO/report/index.html> under MFD Annual Report FY23