



Office of **Procurement**

MONTGOMERY COUNTY, MD

MINORITY, FEMALE AND DISABLED-OWNED (MFD) BUSINESS PROGRAM

FY20 ANNUAL REPORT



Executive Summary

In FY20, \$182,699,735 was awarded to certified Minority, Female and Disabled Persons owned (MFD) businesses. This equates to 23% of the total procurement dollars \$797,894,633 that is subject to the Minority, Female and Disabled Persons (MFD) program.

MFD dollar awards remains in the overall 20-25% range, showing a steady consistency of minority businesses involved in the procurement process that continues to demonstrate growth. The Local Small Business Reserve Program (LSBRP) continues to be instrumental in the participation of minority firms as many of Montgomery County local small businesses are also minority or female owned businesses. The continued implementation of Bill 48-14 (adding MFD participation evaluation points in RFPs) provides an incentive for prime contractors to include minority businesses in their proposals.

Started in March 2020, the County had to adjust to a virtual working environment due to the corona virus pandemic. The pandemic has caused unexpected budget cuts impacting the county's contracting and funding. Under the circumstances with the short fall of the overall budget, we maintained consistent participation with minority vendors.

Each year the Director must use the Disparity Study data as available and the current Fiscal Year's utilization to determine for the next Fiscal Year's MFD goals of each group of MFD vendors. The MFD goals are broken down by four (4) procurement categories.

New MFD goals for Calendar Year (CY), 2021 are:

- | | |
|-----------------------------|----------------------------------|
| · Professional Services | 19% (stayed the same as CY20) |
| · Non-Professional Services | 22% (increased from 17% in CY20) |
| · Goods | 10% (increased from 9% in CY20) |
| · Construction | 21% (stayed the same as CY20) |

The MFD program is designed to assist certified MFD businesses in gaining access to County contracting opportunities and building relationships with prime contractors. This process is done through available subcontracting opportunities which is the main thrust of the program.

The MFD Program's main functions are:

- Procurement and MFD procurement education
- MFD compliance
- Reporting
- Customer Service
- Outreach and education
- Review solicitations for artificial barriers

Background

Within the Office of Procurement, the Division of Business Relations and Compliance 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 (see Chart 1) in gaining opportunities as either prime contractors or sub-contractors for County contract awards with an estimated dollar value of \$50,000 or more.²

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)
Federal Small Business Administration	8(a) Program	8(a) Certified Businesses (SBA-8a)
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 Manager tracks and monitors contract awards and minority business compliance issues, so that required goals are met. The Manager settles disputes that may arise between a prime and subcontractor.

The MFD Program Manager conducts reviews and investigations of prime contractors' non-compliance and non-payments to minority subcontractors. The investigations may result in withholding progress payments, assessing liquidated damages, and termination of the contracts.

¹ Businesses owned by vendors in several socially 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.

Outreach Activities and Networking Events

Outreach events are targeted in the efforts of attracting vendors from all disciplines and sectors of the business communities. Our goal 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 keen interests in our minority business programs. The events provide access to local and minority vendors to in obtaining County contracting opportunities.

In FY20, we hosted 12 monthly open houses events. The MFD office represented and participated in the outreach process for the following events:

- July 18, 2019: Minority Outreach Fair
- July 24, 2019: Doing Business with the Counties
- July 30, 2019: AACC MD Business Social
- August 13, 2019: MBDA Federal Procurement Center presents: 'Partnering to Scale'
- August 19, 2019: Power Conference
- August 20, 2019: Operating a Small Business
- Oct. 2, 2019: Spread the Green Expo
- Oct. 10, 2019: Fairfax County Small Business Forum
- Oct. 15, 2020: Business EXCEerator Meeting
- Oct. 16, 2019: Meet the Primes
- Oct. 17, 2019: Small Business Network
- Oct. 21, 2019: Business Connect Expansion and Economic Development Week Proclamation
- Oct. 24, 2019: Asian American Business Summit and Expo
- Oct. 30, 2019: Ft. Myer Construction Small Business Roundtable
- Oct. 31, 2019: Purple Line Transit Outreach Fair
- Nov. 8, 2019: Montgomery Manufacturing Business Connect Event
- Nov. 12, 2019: ProBiz
- Nov. 21, 2019: MWMCA Fall Minority Outreach Fair
- Dec. 3, 2019: Annual Breakthrough Breakfast, Procurement Fair and Done Deal Awards
- Jan. 29, 2020: MBE Certification Training
- Jan. 29, 2020: FMCC Small Business Roundtable
- Feb. 4, 2020: Ready, Set, GROW! Procurement Connections Workshop
- Feb. 14, 2020: Launch of Business Connect Bethesda
- Feb. 25, 2020: Montgomery Al Dia
- Feb. 26, 2020: GovCon 2020 Business Opportunities for Small Business
- Apr. 3, 2020: Asian American Chamber of Commerce Meeting
- Apr. 3, 2020: COVID Business Response Meeting, MCEDC
- Apr. 28, 2020: Clarksburg Chamber Zoom Workshop
- May 6, 2020: How to do Business with Montgomery County
- May 7, 2020: What's Happening in MoCo Podcast
- May 12, 2020: Business Consortium: Where is the Money?

MFD Procurement Participation Report

FY17 - FY20 Comparison of MFD Contract Activity

FY	Total \$ Subject To MFD	Total \$ Encumbered To MFD	Total # Of POs	Total # Of POs To MFD	% Of Total \$ Encumbered To MFD	% Of # Of POs To MFD
20	\$797,850,214	\$182,655,316	7,098	2,767	22.89%	38.99%
19	\$802,861,953	\$195,995,706	6,019	2,553	24.41%	42.44%
18	\$843,516,122	\$198,198,235	5,772	2,726	23.50%	47.23%
17	\$937,145,420	\$217,819,206	5,451	2,212	23.24%	40.58%

FY20 MFD Contract Activity Summary by Procurement Category

Category	Total \$ Subject To MFD	Total \$ Encumbered To MFD	Total # Of POs	# Of POs To MFD	% Of Total \$ Encumbered To MFD	% Of # Of POs To MFD
Professional Services	\$355,362,282	\$34,246,444	2,268	780	9.64%	34.39%
Non-Professional Services	\$240,412,737	\$91,791,388	3,322	1,345	38.18%	40.49%
Goods	\$71,207,824	\$18,045,734	1,220	440	25.34%	36.07%
Construction	\$130,867,371	\$38,571,750	288	202	29.47%	70.14%
Total	\$797,850,214	\$182,655,316	7,098	2,767	22.89%	38.99%

Dollar Value to MFD Firms by Group, FY20

Professional Services				
Total Dollars Subject to Goal: \$355,362,282			Total Actions:2,268	
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD	Total # Of POs To MFD Group	% Of Total Actions By MFD Group
African American	\$6,330,798	1.78%	238	10.49%
Asian American	\$17,115,209	4.82%	244	10.76%
Female	\$5,229,495	1.47%	106	4.67%
Hispanic American	\$5,247,836	1.48%	163	7.19%
Native American	\$323,107	0.09%	29	1.28%
Person with Disability	\$0	0.00%	0	0.00%
Total	\$34,246,444	9.64%	780	34.39%

Non-Professional Services				
Total Dollars Subject to Goal: \$240,412,737			Total Actions:3,322	
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD	Total # Of POs To MFD Group	% Of Total Actions By MFD Group
African American	\$35,831,755	14.91%	623	18.75%
Asian American	\$6,602,727	2.75%	78	2.35%
Female	\$12,325,564	5.13%	274	8.25%
Hispanic American	\$36,484,253	15.18%	360	10.84%
Native American	\$547,090	0.23%	10	0.30%
Person with Disability	\$0	0.00%	0	0.00%
Total	\$91,791,389	38.18%	1,345	40.49%

Dollar Value to MFD Firms by Group, FY20 (Cont'd)

Goods				
Total Dollars Subject to Goal: \$71,207,824			Total Actions:1,220	
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD	Total # Of POs To MFD Group	% Of Total Actions By MFD Group
African American	\$2,157,398	3.03%	91	7.46%
Asian American	\$5,018,820	7.05%	88	7.21%
Female	\$10,532,891	14.80%	230	18.85%
Hispanic American	\$336,625	0.47%	31	2.54%
Native American	\$0	0.00%	0	0.00%
Person with Disability	\$0	0.00%	0	0.00%
Total	\$18,045,734	25.34%	440	36.07%

Construction				
Total Dollars Subject to Goal: \$130,867,371			Total Actions:288	
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD	Total # Of POs To MFD Group	% Of Total Actions By MFD Group
African American	\$7,656,340	5.85%	25	8.68%
Asian American	\$60,677	0.05%	2	0.69%
Female	\$13,157,215	10.05%	64	22.22%
Hispanic American	\$17,697,518	13.52%	111	38.54%
Native American	\$0	0.00%	0	0.00%
Person with Disability	\$0	0.00%	0	0.00%
Total	\$38,571,750	29.47%	202	70.14%

FY20 MFD Utilization and Availability

	Prime Contractor		Sub-Contractor		Total Contractor		FY20 Utilization	FY20 Availability	CY21 Goal
Professional Services	Subject to MFD Requirements:				\$355,362,282	2,268			
African American	\$5,605,082	152	\$725,716	86	\$6,330,798	238	1.78%	8.25%	8.25%
Asian American	\$13,141,975	137	\$3,973,234	107	\$17,115,209	244	4.82%	4.11%	4.11%
Female	\$4,567,080	76	\$662,415	30	\$5,229,495	106	1.47%	4.26%	4.26%
Hispanic American	\$4,049,042	92	\$1,198,794	71	\$5,247,836	163	1.48%	1.24%	1.24%
Native American	\$40,000	1	\$283,107	28	\$323,107	29	0.09%	0.11%	0.11%
Person with Disability	\$0	0	\$0	0	\$0	0	0.00%	0.80%	0.80%
Sub Total	\$27,403,179	458	\$6,843,265	322	\$34,246,444	780	9.64%	18.77%	19%
Non-Professional Services	Subject to MFD Requirements:				\$240,412,737	3,322			
African American	\$27,858,236	429	\$7,973,519	194	\$35,831,755	623	14.90%	12.57%	12.57%
Asian American	\$6,515,020	60	\$87,707	18	\$6,602,727	78	2.75%	3.49%	3.49%
Female	\$9,723,504	72	\$2,602,060	202	\$12,325,564	274	5.13%	5.46%	5.46%
Hispanic American	\$33,794,678	300	\$2,689,575	60	\$36,484,253	360	15.18%	2.58%	--
Native American	\$547,090	10	\$0	0	\$547,090	10	0.23%	0.08%	0.08%
Person with Disability	\$0	0	\$0	0	\$0	0	0.00%	0.62%	0.62%
Sub Total	\$78,438,528	871	\$13,352,860	474	\$91,791,388	1,345	38.18%	24.80%	22%

FY20 MFD Utilization and Availability (cont'd)

	Prime Contractor		Sub-Contractor		Total Contractor		FY20 Utilization	FY20 Availability	CY21 Goal
Goods	Subject to MFD Requirements:				\$71,207,824	1,220			
African American	\$1,037,127	71	\$1,120,271	20	\$2,157,398	91	3.03%	5.79%	5.79%
Asian American	\$3,034,607	63	\$1,984,213	25	\$5,018,820	88	7.05%	2.01%	2.01%
Female	\$7,863,726	123	\$2,669,165	107	\$10,532,891	230	14.79%	6.57%	--
Hispanic American	\$205,460	26	\$131,165	5	\$336,625	31	0.47%	1.51%	1.51%
Native American	\$0	0	\$0	0	\$0	0	0.00%	0.11%	0.11%
Person with Disability	\$0	0	\$0	0	\$0	0	0.00%	0.75%	0.75%
Sub Total	\$12,140,920	283	\$5,904,814	157	\$18,045,734	440	25.34%	16.74%	10%
Construction	Subject to MFD Requirements:				\$130,867,371	288			
African American	\$239,836	2	\$7,416,504	23	\$7,656,340	25	5.85%	11.00%	11.00%
Asian American	\$22,252	1	\$38,425	1	\$60,677	2	0.05%	3.29%	3.29%
Female	\$11,869,997	53	\$1,287,218	11	\$13,157,215	64	10.05%	5.54%	5.54%
Hispanic American	\$16,549,226	68	\$1,148,292	43	\$17,697,518	111	13.52%	6.14%	--
Native American	\$0	0	\$0	0	\$0	0	0.00%	0.49%	0.49%
Person with Disability	\$0	0	\$0	0	\$0	0	0.00%	1.00%	1.00%
Sub Total	\$28,681,311	124	\$9,890,439	78	\$38,571,750	202	29.47%	27.46%	21%
Total Subject to MFD Requirements					\$797,850,214	7,098	22.90%		
Total MFD Procurement					\$182,655,316	2,767			

Total Dollars & Value of RFPs by MFD Group

The RFP section of the MFD report is a result of proposals submitted in response to formal Requests for Proposals (RFPs) issued by the County during FY20. The report tracks the following information:

- Minority business groups and Non-minority businesses participating in the process only as prime contractors
- Break down of number of awards
- Dollar values for each group
- Number of proposals submitted by each group

The total dollar value for RFPs issued in FY20 was \$55,293,229. Of that amount MFD businesses were awarded \$8,637,752 or 15.62%. Out of 116 total RFP proposals submitted, 23 (19.83%) proposals were submitted by MFD businesses. A total of 46 RFP contract awards were issued. RFP contract awards to MFD prime contractors were 8 (17.39%). This is a significant decrease of 6 or 57.15% from FY19's 36% MFD businesses with RFP contract awards.

	# 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	4.35%	\$3,855,000	6.97%	44.63%%	6	5.17%
Hispanic American	2	4.35%	\$2,280,252	4.12%	26.40%%	9	7.76%
Asian American	2	4.35%	\$203,000	0.37%	2.35%%	4	3.45%
Native American	0	0.00%	\$0	0.00%	0.00%%	0	0.00%
Female	1	2.17%	\$300,000	0.54%	3.47%%	3	2.59%
Person with Disabilities	1	2.17%	\$1,999,500	3.62%	23.15%%	1	0.86%
Total MFD Businesses	8	17.39%	\$8,637,752	15.62%	100%	23	19.83%
Non-MFD	38	82.61%	\$46,655,477	84.38%	--	93	80.17%
Total Businesses	46	100.00%	\$55,293,229	100.00%		116	100.00%

Total Dollars & Value of IFBs by MFD Group

The IFB section of the MFD report is a result of bids submitted in response to formal Invitation for Bids (IFBs) issued by the County during FY20. The report tracks the following information:

- Minority business groups and Non-minority businesses participating in the process only as prime contractors
- Break down of number of awards
- Dollar values for each group
- Number of bids submitted by each group

The total dollar value for IFBs issued in FY20 was \$180,876,930. Of that amount MFD businesses were awarded \$70,519,805 or 38.99%. This shows a decrease from FY19's \$74,288,575 or 43.35%. Out of 121 total bids responding to the IFBs, 12 (9.92%) bids were submitted by MFD businesses. A total of 51 IFB contract awards were issued. IFB contract awards to MFD prime contractors were 9. African American, Native American and Person with Disabilities owned businesses did not participate in the IFB process as prime contractors. In FY21, our office will focus on attracting more MFD vendors to bid on our IFBs as prime contractors.

	# Of Awards	% Of # Of Awards	Award Dollar Value	% Of Dollar Value	% Of Total MFD Dollar Value	# Of Proposals Submitted	% Of Proposals Submitted
African American	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Hispanic American	3	5.08%	\$20,756,250	11.10%	29.43%	4	2.92%
Asian American	0	0.00%	\$0	0.00%	0.00%	1	0.73%
Native American	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Female	6	10.17%	\$49,763,555	26.61%	70.57%	7	5.11%
Person with Disabilities	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Total MFD Businesses	9	15.25%	\$70,519,805	37.71%	100%	12	8.76%
Non-MFD	42	71.19%	\$110,357,125	59.02%	--	109	79.56%
Total Businesses	51	86.44%	\$180,876,930	96.73%		121.00	88.32%

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 FY20, 12 departments met the criteria. The data reports for each of these departments on total dollars encumbered in all purchasing categories subject to MFD participation. Listed below is a summary of the 12 major departments and their MFD utilization in FY20.

Departments	Total \$ Subject To MFD	MFD \$ Utilization	% Of MFD Utilization	% Of Total MFD \$
Transportation	\$208,943,658	\$82,261,752	39.37%	46.60%
Technology Services	\$49,252,267	\$19,417,265	39.43%	11.00%
Recreation	\$18,581,790	\$3,979,169	21.42%	2.26%
Police	\$26,116,211	\$6,009,255	23.01%	3.41%
Human Resources	\$189,335,929	\$340,767	0.18%	0.20%
Housing and Community Affairs	\$1,865,469	\$592,613	31.77%	0.34%
Health and Human Services	\$36,760,025	\$8,513,538	23.16%	4.83%
General Services	\$148,841,659	\$33,944,361	22.81%	19.23%
Fire and Rescue Service	\$23,406,096	\$1,440,622	6.16%	0.82%
Finance	\$12,365,555	\$1,045,826	8.46%	0.60%
Environmental Protection	\$56,004,366	\$18,112,881	32.35%	10.26%
Emergency Management and Homeland Security	\$7,411,771	\$113,608	1.54%	0.07%
Circuit Court	\$1,615,698	\$764,729	47.34%	0.44%
Total	\$780,500,494	\$176,536,386	22.62%	100.00%

* Detailed **Departments** reports can be viewed online at: <https://montgomerycountymd.gov/PRO/report/index.html> under MFD Annual Report FY20

* Detailed **Exclusion and Waivers** reports can be viewed online at: <https://montgomerycountymd.gov/PRO/report/index.html> under MFD Annual Report FY20