



**DEPARTMENT OF GENERAL SERVICES  
OFFICE OF BUSINESS RELATIONS AND COMPLIANCE**

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**MINORITY, FEMALE, AND DISABLED PERSONS (MFD)  
PROGRAM**

**ANNUAL REPORT**

**FISCAL YEAR 2014**

# Table of Contents

Executive Summary .....	3
Section I. MFD Procurement Participation Report .....	8
Section II. MFD Participation by Requests for Proposals (RFPs) .....	14
Section III. MFD Participation by Invitation for Bids (IFBs) .....	17
Section IV. MFD Participation by Selected Departments .....	20
Section V. MFD Exclusions and Waivers .....	23

## Executive Summary

The Office of Business Relations and Compliance is responsible for reporting the Minority, Female and Disabled Persons Owned Business Program (MFD) Annual Report for minority businesses activities in accordance with Section 11B-61 of the Montgomery County Code and the Montgomery County Procurement Regulations.

The MFD Office operates under the Office of Business Relations and Compliance (OBRC) in the Department of General Services (DGS). The mission of the MFD Office is to assist the County's registered vendors that hold one or more of the six minority certifications (listed below) that are recognized by the County as a business owned by a minority, female or disabled person in gaining contracting opportunities. Certified MFD vendors are eligible as either prime contractors or sub-contractors for County contract awards in the amount \$50,000 or greater. Grants, utilities, intra/inter-governmental procurements are not subject to the MFD Law.

The minority groups consist of the following:

- African American
- Hispanic American
- Asian American
- Native American
- Female
- Persons with Disabilities

The profound duties of the MFD Office reaches beyond the boundaries of compliance or just data collecting in servicing the minority business communities for a strong and vibrant County. There are five (5) core functions that can best describe the MFD operational process:

- Procurement and Minority Business education
- Compliance
- Reporting
- Outreach
- Customer Service

## Minority Certifications Recognized By The County

Agency	Program	Description	Website
Maryland Department of Transportation	Minority Business Enterprise	MDOT Certified MBE and/or DBE Businesses (MDOT-MBE)	<a href="http://mbe.mdot.state.md.us">http://mbe.mdot.state.md.us</a>
Virginia Department of Small, Women and Minority Owned Business Program	Small, Woman and Minority	Virginia Small, Women, Minority Businesses(SWAM)	<a href="http://www.dmbc.virginia.gov/swamcert.html">http://www.dmbc.virginia.gov/swamcert.html</a>
Federal Small Business Administration	8(a) Program	8(a) Certified Businesses (SBA-8a)	<a href="http://dsbs.sba.gov">http://dsbs.sba.gov</a>
Women's Business Enterprise National Council	Women's Business Enterprise	Women's Business Enterprise (WBENC)	<a href="http://www.wbenc.org">http://www.wbenc.org</a>
Maryland/District of Columbia Minority Supplier Development Council	Minority Business Enterprise	Minority Business Enterprise(MSDC)	<a href="http://affiliate.nmsdc.org/mddc/">http://affiliate.nmsdc.org/mddc/</a>
City of Baltimore	Minority and Women's Business Opportunity Office	Minority and Women's Business Opportunity Office (MWBOO)	<a href="http://cityservices.baltimorecity.gov/mwboo/">http://cityservices.baltimorecity.gov/mwboo/</a>

The FY14 MFD Report is statistical data showing Montgomery County's utilization and availability of minority vendors as prime contractors or sub-contractors. During FY14, the County conducted a disparity study of County minority business availability and utilization. The County Attorney's Office is due to release the study's findings and recommendations by the fall of 2014.

For FY14, the County's MFD program achieved **19.56%** of all procurement dollars subject to MFD requirements that were awarded to Certified MFD businesses. In FY14, the total dollars subject to MFD requirements were \$755,666,309 and of that amount total MFD awards were \$147,818,712. The total number of Purchase Orders (POs) issued that are subject to MFD requirements totaled 6,330. Of that, Certified MFD vendors received 2,237 POs or 35.34%.

Minority businesses are tracked and monitored in determining MFD utilization and availability by the following categories:

- Professional Services
- Non-Professional Services
- Goods
- Construction

The prime contractor of non-certified status is required to "exercise good faith efforts" in establishing a maximum goal of percentage of dollars with Certified MFD vendors in their submission of a MFD Plan.

Each MFD Plan is evaluated and approved on:

- the scope of work and what the County is buying
- available goods/services or subcontracting opportunities needed by the prime in support of the contract
- dollar value of the contract
- outreach efforts by the prime contractor to identify opportunities in making the match to engage certified minority vendors
- a written waiver justification request that precludes minority participation if the prime seeks a waiver

The MFD Office continues its commitment to foster strong relationships with all members of the business community and to be inclusive in meeting the purchasing needs of the County by encouraging their involvement in the process.

The MFD Office's main responsibilities are:

- building relationship through commitment and cooperation from County staff, personnel and departments
- assisting primes and subcontractors in doing business with the County on the MFD process
- providing resources and assistance
- promoting open and transparent government procurement
- outreaching and networking to encourage more participation and contribution
- providing quality customer service

## **Innovation**

The MFD office will be incorporating the Early Morning software product to insure compliance integrity in monitoring and tracking of payments made to minority firms by prime contractors documented on the MFD plan. Implementation is expected to commence in the fall of 2014.

The MFD office is exploring best practices by other jurisdictions across the country to enforce the MFD programs. We have studied the MFD programs enforced by the State of Maryland, Prince George's County, Baltimore County, City of Chicago, City of Portland, City of Los Angeles, etc. There are many innovative ways to implement MFD programs. The MFD office is taking this opportunity to look into our enforcement processes and identify best practices so as to improve the MFD program for Montgomery County.

## Outreach

Targeted events that OBRC and the Office of Procurement hosted through FY14 to assist small and minority vendors to learn about County contracting opportunities:

- a. June 3, 2013 -- IT vendor open house  
Meet and greet event for IT vendors to meet with County IT staff and contract administrators in various departments, as well as key staff (Director, COO, division chiefs) in the Department of Technology Services.
- b. Oct 30, 2013 -- Meet the Primes  
Matchmaking event for minority vendors to meet with 12 construction prime contractors who are short-listed on 4 county construction projects, as well as county staff who oversee these construction projects.
- c. Feb 26, 2014 -- Public Safety Vendor Fair  
Meet and greet event for small and minority vendors to meet with contract administrators in the County's 5 public safety departments (Police, Fire and Rescue, Correction and Rehabilitation, Sheriff, and Homeland Security)
- d. June 26, 2014 -- Subcontracting matchmaking for the Energy Services Contracts (ESCO)  
Matchmaking event for minority vendors to meet with 3 Energy Service Contractors for subcontracting opportunities.

Events through FY14 that OBRC and Procurement participated as panelists or key speakers

- e. Aug 27, 2013 - "MONTGOMERY AL DIA" - Radio Show
- f. Oct 9, 2013 - African American Chamber of Commerce, MDOT certification
- g. Oct 29, 2013 - Asian American Business Conference
- h. Oct 31, 2013 - Black Caucus 2013 Annual Legislative Week
- i. Nov 1, 2013 - Metro Washington Minority Contractor Assoc. Minority Business Expo
- j. Nov 13, 2013 - Alliance Baltimore Vendor Fair
- k. Nov 20, 2013 - Baltimore Washington Regional Government Procurement Fair
- l. Nov 21, 2013 - Montgomery County Chamber Award Dinner
- m. Dec 10, 2013 - MBE University Conference in Baltimore City
- n. Feb 19, 2014 - Small Business Information & Resource Summit
- o. Mar 16, 2014 - Hispanic Chamber of Commerce Annual Business Expo
- p. Apr 23, 2014 - African American Chamber of Commerce, MDOT certification
- q. May 9, 2014 - DED small business awards
- r. May 16, 2014 - Montgomery County Chamber, GovConNet Procurement Conference
- s. May 29, 2014 - Asian Pacific American Chamber of Commerce (APACC) seminar
- t. May 30, 2014 - Hispanic Chamber of Commerce Training seminar
- u. June 12, 2014 - SSA Annual Small Business Procurement Conference



**DEPARTMENT OF GENERAL SERVICES  
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**SECTION I**

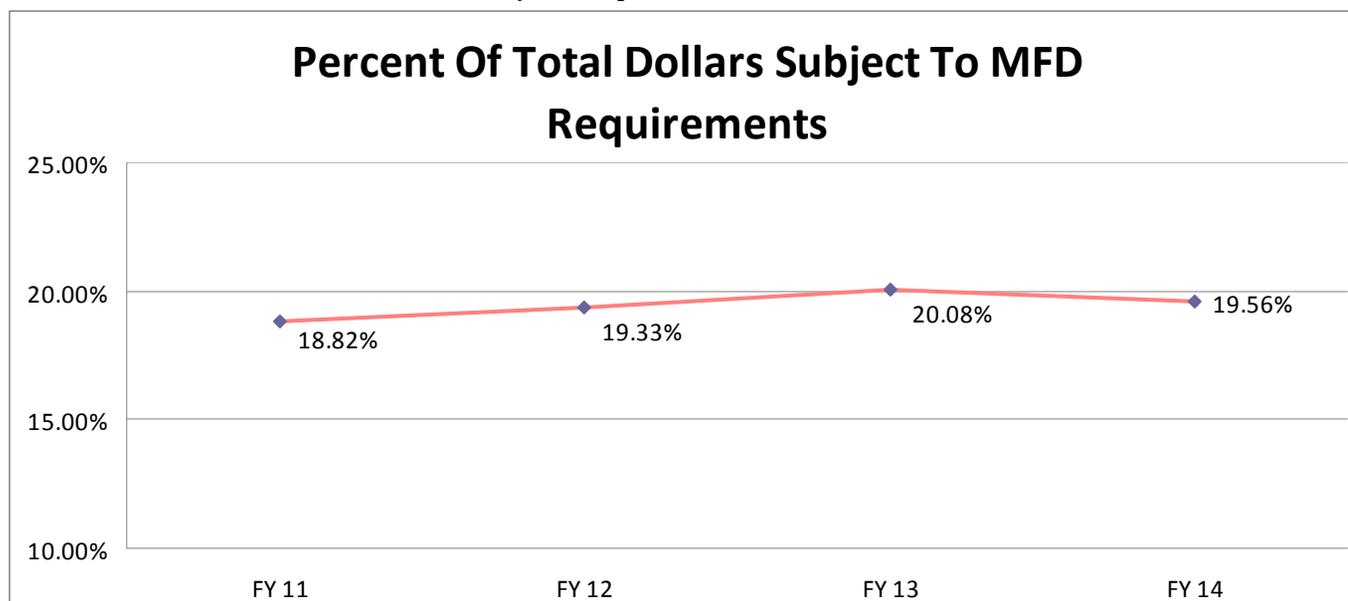
**MFD PROCUREMENT PARTICIPATION REPORT**

**FISCAL YEAR 2014**

### FY11 – FY14 Comparison of MFD Contract Activity

Fiscal Year	Total \$ Subject to MFD	Total \$ Encumbered to MFD	Total # of Purchase Orders	Total # of Purchase Orders to MFD	% of Total \$ Encumbered to MFD	% of # of Purchase Orders to MFD
FY 14	755,666,309	147,818,712	6,330	2,237	<b>19.56%</b>	35.34%
FY 13	738,405,857	148,285,518	6,364	2,334	20.08%	36.68%
FY 12	667,257,831	128,964,095	5,360	1,748	19.33%	32.61%
FY 11	833,800,971	156,897,426	4,541	1,524	18.82%	33.56%

Chart 1: 4-year Comparison on MFD Encumbrances



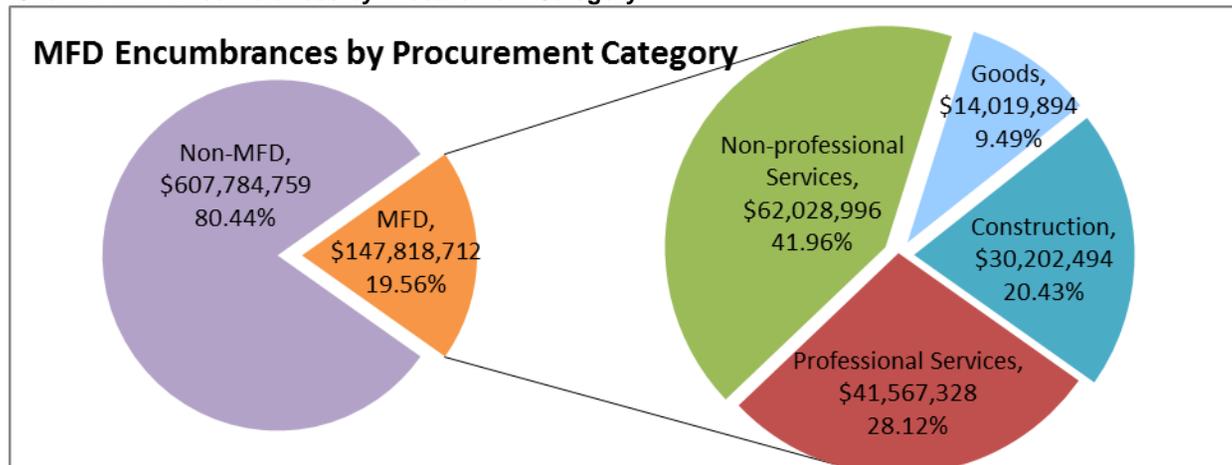
## FY 14 MFD Contract Activity Summary by Procurement Category

MFD participation is measured in the following four procurement categories:

- Professional services
- Non-professional services
- Goods
- Construction

Procurement Category	Total \$ Subject to MFD	Total \$ Encumbered to MFD	Total # of Purchase Orders	# of Purchase Orders to MFD	% of Total \$ Encumbered to MFD	% of # of Purchase Orders to MFD	% of each Procurement Category
Professional Services	323,247,482	41,567,328	2,074	844	12.86%	40.71%	28.12%
Non-professional Services	200,022,029	62,028,996	2,336	789	31.01%	33.78%	41.96%
Goods	100,109,908	14,019,894	1,690	514	14.01%	30.42%	9.49%
Construction	132,286,890	30,202,494	230	90	22.84%	39.14%	20.43%
<b>TOTAL</b>	<b>\$755,666,309</b>	<b>\$147,818,712</b>	<b>6,330</b>	<b>2,237</b>	<b>19.56%</b>	<b>35.34%</b>	<b>100.00%</b>

Chart 2: MFD Encumbrances by Procurement Category



## Dollar Value to MFD Firms by Group, FY 14

### *Professional Services*

Total Dollars Subject to Goal: \$323,247,482

Total Actions: 2,074

Group	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD	Total # of Actions to MFD Group	% of Total Actions by MFD Group
African American	\$6,054,214	1.87%	182	8.78%
Hispanic American	\$2,611,129	0.81%	91	4.39%
Asian American	\$25,386,262	7.85%	233	11.23%
Native American	\$130,032	0.04%	2	0.10%
Female	\$7,066,375	2.19%	294	14.18%
Person with Disability	\$319,316	0.10%	42	2.03%
<b>Total</b>	<b>\$41,567,328</b>	<b>12.86%</b>	<b>844</b>	<b>40.71%</b>

### *Nonprofessional Services*

Total Dollars Subject to Goal: \$200,022,029

Total Actions: 2,336

Group	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD	Total # of Actions to MFD Group	% of Total Actions by MFD Group
African American	\$16,830,733	8.41%	220	9.42%
Hispanic American	\$23,299,845	11.65%	207	8.86%
Asian American	\$3,982,588	1.99%	66	2.83%
Native American	\$0	0.00%	1	0.04%
Female	\$17,821,826	8.91%	287	12.29%
Person with Disability	\$94,004	0.05%	8	0.34%
<b>Total</b>	<b>\$62,028,996</b>	<b>31.01%</b>	<b>789</b>	<b>33.78%</b>

## Dollar Value to MFD Firms by Group, FY 14

### *Goods*

Total Dollars Subject to Goal: \$100,109,908

Total Actions: 1,690

Group	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD	Total # of Actions to MFD Group	% of Total Actions by MFD Group
African American	\$2,734,177	2.73%	81	4.79%
Hispanic American	\$2,020,223	2.02%	28	1.66%
Asian American	\$2,337,860	2.34%	94	5.56%
Native American	\$0	0.00%	0	0.00%
Female	\$6,575,593	6.57%	306	18.11%
Person with Disability	\$352,041	0.35%	5	0.30%
<b>Total</b>	<b>\$14,019,894</b>	<b>14.01%</b>	<b>514</b>	<b>30.42%</b>

### *Construction*

Total Dollars Subject to Goal: \$132,286,890

Total Actions: 230

Group	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD	Total # of Actions to MFD Group	% of Total Actions by MFD Group
African American	\$112,450	0.09%	8	3.48%
Hispanic American	\$25,024,770	18.92%	60	26.09%
Asian American	\$965,133	0.73%	2	0.87%
Native American	\$0	0.00%	0	0.00%
Female	\$4,100,141	3.10%	20	8.70%
Person with Disability	\$0	0.00%	0	0.00%
<b>Total</b>	<b>\$30,202,494</b>	<b>22.84%</b>	<b>90</b>	<b>39.14%</b>

### FY14 MFD Utilization and Availability

	Prime Contractor		Sub-Contractor		Total Contractor		FY14 Utilization	FY14 Availability*	FY15 Goal
<b>Professional Services</b>	<b>Subject to MFD Requirements:</b>				<b>\$323,247,482</b>	<b>2,074</b>			
African American	\$2,589,714	20	\$3,464,500	162	\$6,054,214	182	1.87%	1.01%	-
Hispanic American	\$1,254,225	24	\$1,356,904	67	\$2,611,129	91	0.81%	0.29%	-
Asian American	\$20,866,721	144	\$4,519,541	89	\$25,386,262	233	7.85%	0.75%	-
Native American	\$0	0	\$130,032	2	\$130,032	2	0.04%	0.08%	0.1%
Female	\$4,689,185	212	\$2,377,190	82	\$7,066,375	294	2.19%	9.63%	10.0%
Person with Disability	\$210,175	13	\$109,141	29	\$319,316	42	0.10%	0.75%	1.0%
Sub Total	\$29,610,020	413	\$11,957,308	431	\$41,567,328	844	12.86%	12.51%	
<b>Nonprofessional Services</b>	<b>Subject to MFD Requirements:</b>				<b>\$200,022,029</b>	<b>2,336</b>			
African American	\$7,308,449	36	\$9,522,284	184	\$16,830,733	220	8.41%	2.90%	-
Hispanic American	\$18,555,952	152	\$4,743,893	55	\$23,299,845	207	11.65%	0.98%	-
Asian American	\$3,981,207	50	\$1,381	16	\$3,982,588	66	1.99%	2.00%	2.0%
Native American	\$0	1	\$0	0	\$0	1	0.00%	0.83%	1.0%
Female	\$15,060,683	175	\$2,761,143	112	\$17,821,826	287	8.91%	11.94%	12.0%
Person with Disability	\$10,000	2	\$84,004	6	\$94,004	8	0.05%	0.75%	1.0%
Sub Total	\$44,916,291	416	\$17,112,705	373	\$62,028,996	789	31.01%	19.40%	
<b>Goods</b>	<b>Subject to MFD Requirements:</b>				<b>\$100,109,908</b>	<b>1,690</b>			
African American	\$562,915	10	\$2,171,262	71	\$2,734,177	81	2.73%	1.29%	-
Hispanic American	\$1,633,556	15	\$386,667	13	\$2,020,223	28	2.02%	0.57%	-
Asian American	\$52,000	2	\$2,285,860	92	\$2,337,860	94	2.34%	3.00%	3.0%
Native American	\$0	0	\$0	0	\$0	0	0.00%	0.86%	1.0%
Female	\$3,947,614	72	\$2,627,980	234	\$6,575,593	306	6.57%	11.09%	11.0%
Person with Disability	\$350,000	3	\$2,041	2	\$352,041	5	0.35%	0.75%	1.0%
Sub Total	\$6,546,085	102	\$7,473,809	412	\$14,019,894	514	14.01%	17.56%	
<b>Construction</b>	<b>Subject to MFD Requirements:</b>				<b>\$132,286,890</b>	<b>230</b>			
African American	\$41,301	2	\$71,149	6	\$112,450	8	0.09%	2.23%	2.0%
Hispanic American	\$24,177,753	55	\$847,017	5	\$25,024,770	60	18.92%	2.09%	-
Asian American	\$965,133	2	\$0	0	\$965,133	2	0.73%	3.00%	3.0%
Native American	\$0	0	\$0	0	\$0	0	0.00%	0.54%	1.0%
Female	\$4,076,504	15	\$23,637	5	\$4,100,141	20	3.10%	9.98%	10.0%
Person with Disability	\$0	0	\$0	0	\$0	0	0.00%	0.75%	1.0%
Sub Total	\$29,260,691	74	\$941,803	16	\$30,202,494	90	22.84%	18.59%	
<b>Total Subject to MFD Requirements</b>					<b>\$755,666,309</b>	<b>6,330</b>			
<b>Total MFD Procurement</b>					<b>\$147,818,712</b>	<b>2,237</b>	<b>19.56%</b>		

\* The availability of minority businesses is based on the 2005 Disparity Study conducted by Griffin & Strong, Inc.

\* FY14's new disparity study data will update the availability numbers for the FY15 annual report.



**DEPARTMENT OF GENERAL SERVICES  
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**SECTION II**

**MFD PARTICIPATION BY REQUEST FOR PROPOSALS  
(RFPs)**

**FISCAL YEAR 2014**

## Total Dollars and Percent Value of Request for Proposals (RFPs) for Each 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 FY14. The report tracks the following information:

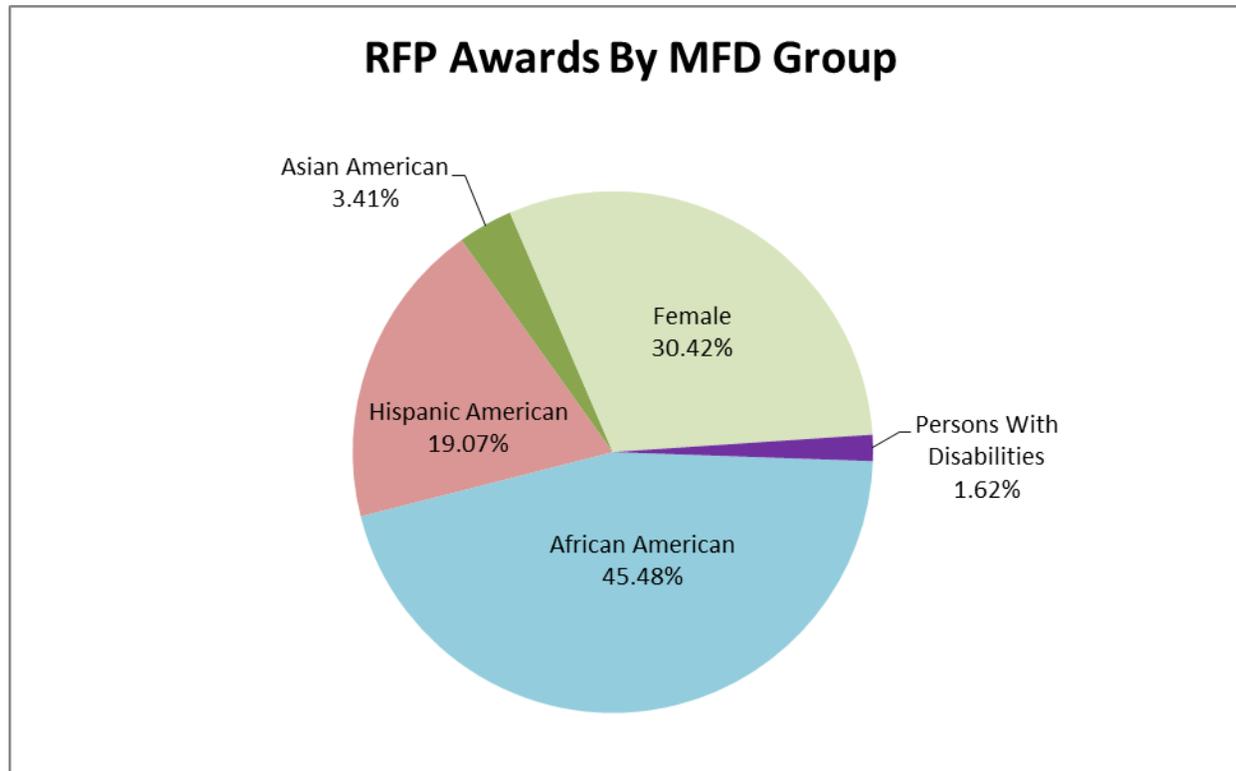
- Minority business groups and Non-minority businesses participating in the process only as prime contractors
- Break down of number of awards
- Dollar values for each group
- Number of proposals submitted by each group

The total dollar value for RFPs issued in FY14 was \$80,722,367. Of that amount MFD businesses were awarded **\$17,589,319** or **21.79%**. **Out of 143** total RFP proposals submitted, 48 (33.57%) proposals were submitted by MFD businesses.

A total of 69 RFP contract awards were issued. MFD businesses RFP contract award was 24 (34.78%).

	# 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	2.90%	8,000,000	9.91%	45.48%	15	10.49%
Hispanic American	6	8.70%	3,354,787	4.16%	19.07%	7	4.90%
Asian American	2	2.90%	600,000	0.74%	3.41%	3	2.10%
Native American	0	0.00%	0	0.00%	0.00%	0	0.00%
Female	13	18.84%	5,349,984	6.63%	30.42%	21	14.69%
Persons With Disabilities	1	1.45%	284,548	0.35%	1.62%	2	1.40%
<b>Total MFD Businesses</b>	<b>24</b>	<b>34.78%</b>	<b>\$17,589,319</b>	<b>21.79%</b>	<b>100.00%</b>	<b>48</b>	<b>33.58%</b>
Non-MFD Businesses	45	65.22%	\$63,133,046	78.21%	----	95	66.42%
<b>Total Businesses</b>	<b>69</b>	<b>100.00%</b>	<b>\$80,722,367</b>	<b>100.00%</b>	<b>----</b>	<b>143</b>	<b>100.00%</b>

Chart 3: RFP Award Dollars by MFD Group





**DEPARTMENT OF GENERAL SERVICES  
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**SECTION III**

**MFD PARTICIPATION BY INVITATION FOR BIDS  
(IFBs)**

**FISCAL YEAR 2014**

## Total Dollars and Percent Value of Invitation for Bids (IFBs) for Each MFD Group

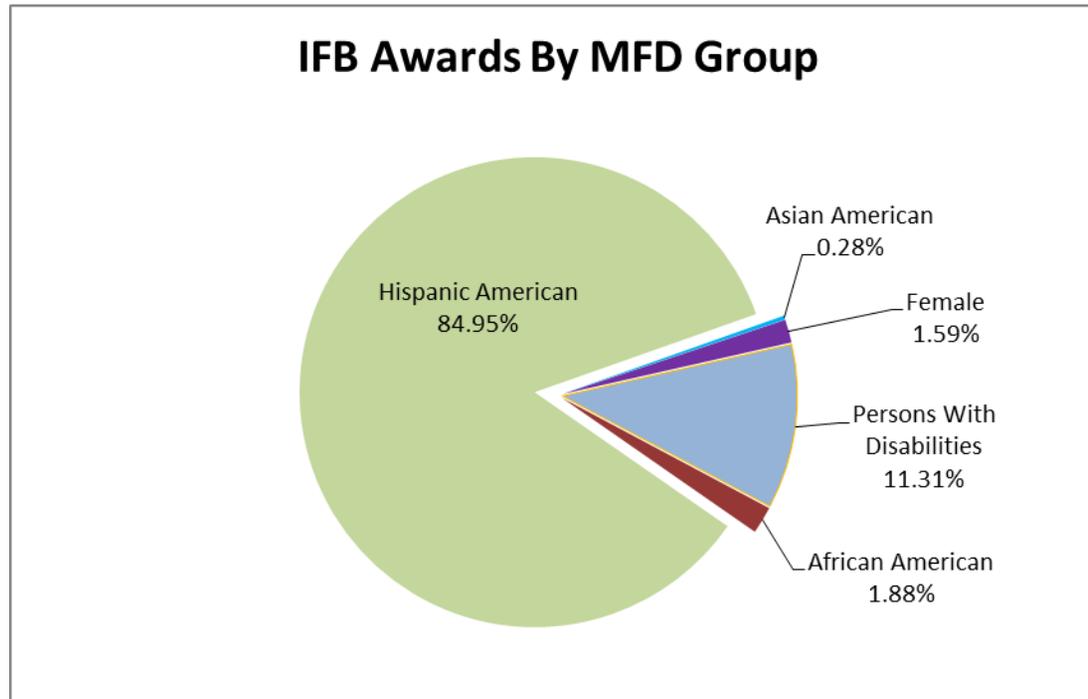
The IFB section of the MFD report is a result of bids submitted in response to formal Invitation for Bids (IFBs) issued by the County during FY14. The report tracks the following information:

- 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 FY14 was \$126,497,723. Of that amount, MFD businesses were awarded **\$51,486,297** or 40.70%. Out of 164 total bids responding to the IFBs, 49 (29.88%) bids were submitted by MFD businesses. A total of 79 IFB contract awards were issued. MFD businesses were awarded 27 (34.18%).

	<b># of Awards</b>	<b>% of # of Awards</b>	<b>Award Dollar Value</b>	<b>% of Dollar Value</b>	<b>% of Total MFD Dollar Value</b>	<b># of Bids Submitted</b>	<b>% of Bid Submitted</b>
African American	5	6.33%	967,852	0.77%	1.88%	10	6.10%
Hispanic American	13	16.46%	43,735,375	34.57%	84.95%	21	12.80%
Asian American	3	3.80%	142,080	0.11%	0.28%	5	3.05%
Native American	0	0.00%	0	0.00%	0.00%	0	0.00%
Female	3	3.80%	817,720	0.65%	1.59%	6	3.66%
Persons With Disabilities	3	3.80%	5,823,270	4.60%	11.31%	7	4.27%
<b>Total MFD Businesses</b>	<b>27</b>	<b>34.18%</b>	<b>\$51,486,297</b>	<b>40.70%</b>	<b>100.00%</b>	<b>49</b>	<b>29.88%</b>
Non-MFD Businesses	52	65.82%	\$75,011,426	59.30%	----	115	70.12%
<b>Total Businesses</b>	<b>79</b>	<b>100.00%</b>	<b>\$126,497,723</b>	<b>100.00%</b>	<b>----</b>	<b>164</b>	<b>100.00%</b>

Chart 4: IFB Award Dollars by MFD Group





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**SECTION IV**

**MFD PARTICIPATION BY SELECTED DEPARTMENTS**

**FISCAL YEAR 2014**

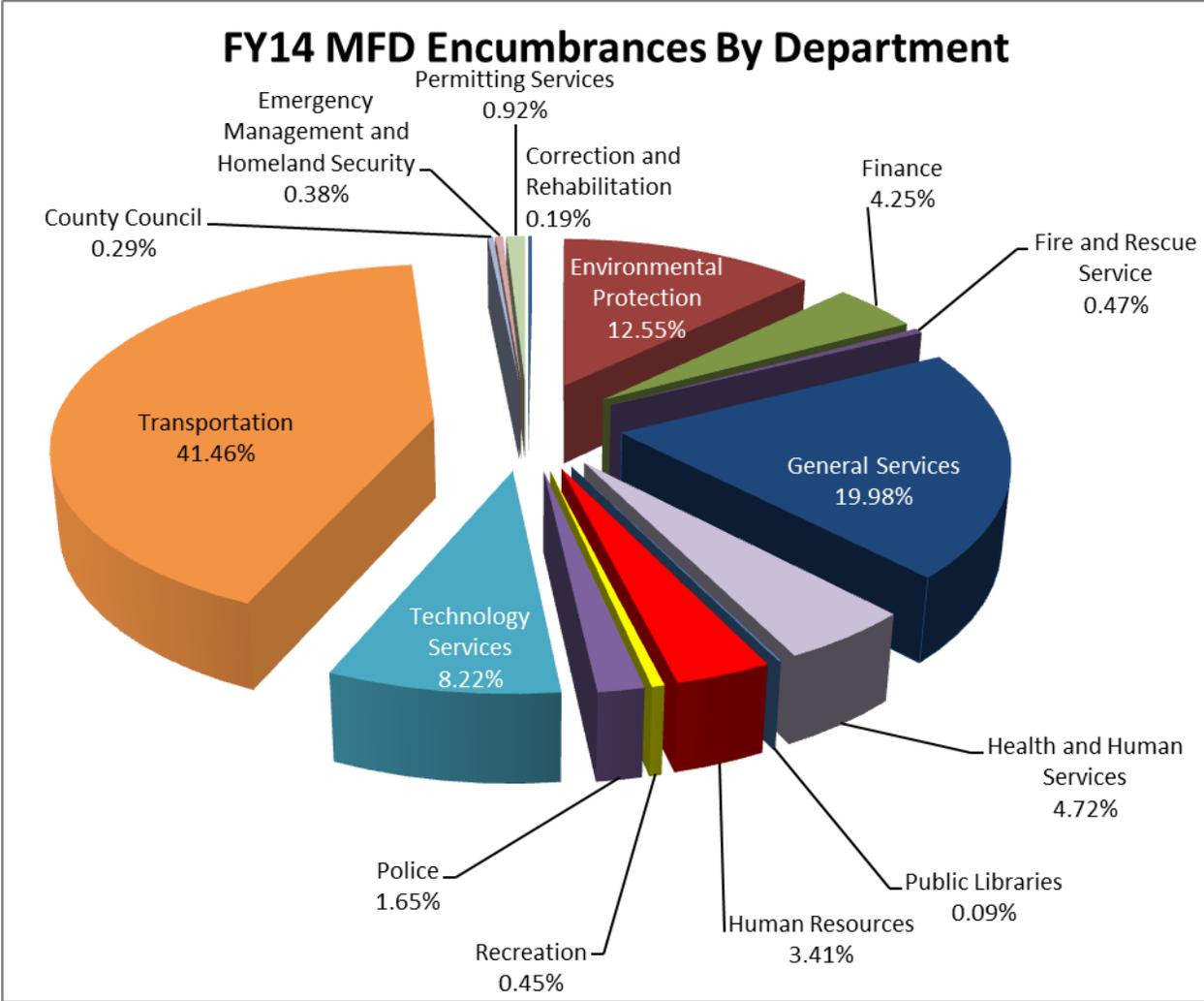
## FY14 Department MFD Participation Summary \*

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 FY14, fifteen (15) 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 fifteen departments and their MFD utilization in FY14. Note that non-profit businesses are excluded from the MFD participation requirements.

Departments	FY14			
	Total \$ Subject to MFD (\$)	MFD Utilization (\$)	% of MFD Utilization	% of Total MFD \$ (Chart 5)
<b>Correction and Rehabilitation</b>	3,558,778	274,969	7.73%	0.19%
<b>Environmental Protection</b>	68,301,155	18,438,303	27.00%	12.55%
<b>Finance</b>	15,311,294	6,242,124	40.77%	4.25%
<b>Fire and Rescue Service</b>	18,429,691	683,374	3.71%	0.47%
<b>General Services</b>	201,094,579	29,341,561	14.59%	19.98%
<b>Health and Human Services</b>	23,720,950	6,933,065	29.23%	4.72%
<b>Public Libraries</b>	2,546,596	133,281	5.23%	0.09%
<b>Human Resources</b>	170,560,962	5,008,203	2.94%	3.41%
<b>Recreation</b>	16,968,953	664,216	3.91%	0.45%
<b>Police</b>	22,006,775	2,417,194	10.98%	1.65%
<b>Technology Services</b>	37,376,452	12,068,052	32.29%	8.22%
<b>Transportation</b>	149,739,119	60,895,662	40.67%	41.46%
<b>County Council</b>	7,728,882	419,020	5.42%	0.29%
<b>Emergency Management</b>	5,143,784	551,271	10.72%	0.38%
<b>Permitting Services</b>	2,453,033	1,351,517	55.10%	0.92%
<b>TOTAL</b>	<b>\$744,941,003</b>	<b>\$145,421,812</b>	<b>19.52%</b>	<b>100.00%</b>

\* Detailed department reports can be viewed at the MFD website: [www.montgomerycountymd.gov/mfd](http://www.montgomerycountymd.gov/mfd) under MFD Annual Report FY14, as attachment 1.

Chart 5: FY13 MFD Encumbrances by Department





**DEPARTMENT OF GENERAL SERVICES  
OFFICE OF BUSINESS RELATIONS AND COMPLIANCE**

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**SECTION V**

**MFD EXCLUSIONS AND WAIVERS  
FISCAL YEAR 2014**

## Procurements Excluded From Requirement: FY14

### 1. Exclusion By Regulations:

The total dollar value of all procurement transactions in FY14 which by regulation were not subject to the minority business requirements were:

<b>Category of Procurement</b>	<b>Dollar Value</b>
<b>Grants</b>	<b>\$61,529,012</b>
<b>Public Entities</b>	<b>\$58,639,613</b>
<b>Total</b>	<b>\$120,168,625</b>

**2. Exclusion By Waiver:**

The total dollar value of contracts awarded with a waiver from minority business contracting requirements was **\$43,564,475**

**MFD Compliance Waiver Summary – FY 14**

<b>A. Total Value Subject to MFD Requirement</b>	<b>\$755,666,309</b>
<b>B. Total MFD Dollars Waived</b>	<b>\$43,564,475</b>
<b>C. Total Dollar Value of MFD Awards</b>	<b>\$147,818,712</b>
<b>D. Total Number of MFD Purchase Orders</b>	<b>6330</b>
<b>E. Waiver Actions</b>	<b>356</b>
<b>F. Percent of Contract Dollars Waived (B Divided by A)</b>	<b>5.77%</b>
<b>G. Percent of Total Dollars to MFDs (C Divided by A)</b>	<b>19.56%</b>

## Waiver Process

The Director, Department of General Services, may determine that a contractor has or has not satisfied the MFD requirements. The determination to waive the MFD requirements is based on the rationale that subcontracting cannot be effected. Examples of reasons for each type of waiver are provided on this page. On the next page, a number corresponding to the number of the reason for waiver given below (1 to 3) is used in the summary table of FY 14 waivers.

The goal-setting process is intended to determine in advance of a contract the reasonable expectation that the awardee shall exercise good faith. At any time, the Director, Department of General Services, may request a waiver, or the prospective contractors on their own initiative may request a waiver. The contractor must explain in writing to the Director why the goal could not be achieved. This explanation must demonstrate that the prime contractor's failure to meet the goal is for reasons beyond the contractor's control.

### **Full Waivers are granted under the following conditions:**

**1. *Good-Faith Efforts Impaired***

The prime contractor, in its effort to comply with MFD requirements, is also required to meet the costs and delivery schedules set by the County that cannot be met by an identified MFD sub-contractor(s), whose costs and schedules are in excess of those covered in the prime contractor's bid or proposal to the County. The result is that the prime contractor and the prospective minority businesses cannot come to terms.

**2. *MFD Unavailable/Not Identifiable***

The apparent awardee, after extensive efforts and often with the support of the Office of Business Relations and Compliance, is unable to identify minority businesses that perform the type of work called for in the solicitation, or that MFD businesses possessing the required financial capacity or expertise are unavailable for work at the time the prime contractor requests their participation.

**3. *MFD Involvement Not Possible***

Montgomery County agencies acquire goods or services through manufacturer direct distribution where the goods or services are delivered from the manufacturer directly. Or through manufacturer certified or licensed distributors that have a proprietary sale agreement with the manufacturer, and have exclusive rights from the manufacturer for the provision of the goods or services.

**Summary of FY 14 MFD Waivers, For Profit, Full and Partial by Month and Reason**

Month	Reason For Waiver			Total Waivers
	1	2	3	
July 2013	0	0	26	26
August 2013	1	0	84	85
September 2013	2	0	49	51
October 2013	0	2	37	39
November 2013	0	0	22	22
December 2013	0	0	32	32
January 2014	0	1	13	14
February 2014	0	0	17	17
March 2014	0	0	13	13
April 2014	0	0	23	23
May 2014	0	0	4	4
June 2014	1	0	30	31
<b>Totals:</b>	<b>4</b>	<b>3</b>	<b>350</b>	<b>357</b>
<b>Total Value of Waivers:</b>	<b>\$151,002</b>	<b>\$134,112</b>	<b>\$43,411,491</b>	<b>\$43,696,604</b>

\* Detailed waiver report can be viewed at the MFD website: [www.montgomerycountymd.gov/mfd](http://www.montgomerycountymd.gov/mfd) under MFD Annual Report FY14, as attachment 2.